

8th March 1945

LEGISLATIVE ASSEMBLY DEBATES
Official Report

Volume II, 1945

(28th February to 13th March, 1945)

TWENTY-SECOND SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1945



LEGISLATIVE ASSEMBLY

President :

The Honourable Sir ABDUE RAHIM, K.C.S.I.

Deputy President :

Mr. AKHIL CHANDRA DATTA, M.L.A.

Panel of Chairmen :

Mr. ABDUL QAIYUM, M.L.A.

Syed GHULAM BHIK NAIRANG, M.L.A.

Mr. K. C. NEOGY, M.L.A.

Sir HENRY RICHARDSON, M.L.A.

Secretary :

Mian MUHAMMAD RAFI, Barrister-at-Law.

Assistants of the Secretary :

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

Khan Bahadur S. G. HASNAIN.

Marshal :

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

Committee on Petitions :

Mr. AKHIL CHANDRA DATTA, M.L.A. (Chairman).

Syed GHULAM BHIK NAIRANG, M.L.A.

Mr. GOVIND V. DESHMUKH, M.L.A.

Mr. N. M. JOSHI, M.L.A.

Sardar SANT SINGH, M.L.A.

CONTENTS

Volume II—28th February to 13th March, 1945

	PAGES		PAGES
WEDNESDAY, 28TH FEBRUARY, 1945—		FRIDAY, 9TH MARCH, 1945—	
Member Sworn	787	Starred Questions and Answers	1238—53
Starred Questions and Answers	787—821	Unstarred Question and Answer	1253
Unstarred Questions and Answers	821—82	The General Budget—List of Demands	1254—90
Short Notice Questions and Answer	822	Demand No. 12.—Executive Council	1254—90
Announcement of Standing Orders—Presentation of the Report of the Select Committee	822	Refusal of Supplies—No Confidence in the Government	1254—90
Demands for Supplementary Grants—Railways	822—59	SATURDAY, 10TH MARCH, 1945—	
The Indian Companies (Amendment) Bill—Discussion on consideration of clauses not concluded	850—60	The General Budget—List of Demands	1291—1311, 1312—85
Presentation of the General Budget for 1945—46	860—79	Demand No. 72.—Post-war Planning and Development	1291—1311
The Indian Finance Bill—Introduced	870	Refusal of Supplies for the Department	1291—1311
The Income-tax and Excess Profits Tax (Amendment) Bill—Introduced	880	Demand No. 16.—Department of Industries and Civil Supplies	1312—27
THURSDAY, 1ST MARCH, 1945—		Failure of Control Permit System and Supply of Consumer Goods	1312—27
Member Sworn	881	Demand No. 26.—Food Department	1327—85
Starred Questions and Answers	881—907	Supervision and Control of Work in Provinces	1328—86
Postponed Starred Questions and Answers	907—08	The Factories (Second Amendment) Bill—Presentation of the Report of the Select Committee	1311
Unstarred Questions and Answers	908—18	MONDAY, 12TH MARCH, 1945—	
Short Notice Question and Answer	913—14	Member Sworn	133
Motion for Adjournment <i>re</i> Failure to counteract Anti-Indian Propaganda by Britain and America—Disallowed	914	Starred Questions and Answers	1337—59
The Hindu Marriage Disabilities Removal Bill—Referred to Select Committee	914—30	Unstarred Questions and Answers	1359
The Indian Evidence (Amendment) Bill—Continued	939	Motion for Adjournment <i>re</i> Composition of the Indian Delegation to San Francisco Conference—Ruled out of order	1359—61
The Indian Penal Code (Amendment) Bill—Discussion on the Motions to refer to Select Committee and to circulate not concluded	939—46	General Budget—List of Demands	1361—98
FRIDAY, 2ND MARCH, 1945—		Demand No. 15.—Department of Industries and Civil Supplies	1361—82
Starred Questions and Answers	947—67	Cloth and Yarn Position	1361—82
Postponed Starred Questions and Answers	967—69	Demand No. 39.—Geological Survey Government Policy <i>re</i> Mineral Resources of India	1362—86
Unstarred Questions and Answers	969—73	Demand No. 26.—Food Department	1386—87
Resolution <i>re</i> National War Front—Adopted	973—96	Supervision and Control of Work in Provinces	1386—87
Resolution <i>re</i> Removal of Sections 111 to 121 of the Government of India Act, 1935—Discussion not concluded	997—1008	Demand No. 15.—Home Department	1387—95
MONDAY, 5TH MARCH, 1945—		Faucity of Scheduled Castes in Government of India Services	1387—95
Member Sworn	1009	Demand No. 23.—Department of Labour	1395—98
Starred Questions and Answers	1009—37	Labour Policy of Government of India	1395—98
Postponed Starred Questions and Answers	1037—39	TUESDAY, 13TH MARCH, 1945—	
Unstarred Questions and Answers	1038—41	Member Sworn	1399
Short Notice Question and Answer	1041	Starred Questions and Answers	1399—1429
The General Discussion of the General Budget	1041—56	Unstarred Questions and Answers	1429
TUESDAY, 6TH MARCH, 1945—		Short Notice Question and Answer	1429
Death of Mr. K. S. Gupta	1057—59	Election of Members to the Standing Committee for Information and Broadcasting Department	1430
WEDNESDAY, 7TH MARCH, 1945—		Election of Members to the Standing Committee for Civil Defence Branch of Defence Department	1430
Starred Questions and Answers	1061—98	The General Budget—List of Demands	1430—76
Unstarred Questions and Answers	1068—1101	Demand No. 21.—Finance Department	1430—56
Transferred Starred Questions and Answers	1102—22	Need for Economy and for more stringent Control of Expenditure	1430—56
Transferred Unstarred Questions and Answers	1122—27	Demand No. 23.—Department of Labour	1456—62
General Discussion of the General Budget	1127—62	Labour Policy of Government of India	1456—62
THURSDAY, 8TH MARCH, 1945—		Need for immediate <i>re</i> imposition of Ban on Employment of women underground in Mines	1462—66
Members Sworn	1163	Demand No. 1.—Customs	1466
Starred Questions and Answers	1163—95	Demand No. 2.—Central Excise Duties	1466
Election of Members to the Standing Committee for Information and Broadcasting Department	1195—96	Demand No. 3.—Taxes on Income Including Corporation Tax	1466
Election of Members to the Standing Committee on Emigration	1196—98	Demand No. 4.—Salt	1466
Election of Members to the Standing Committee for Civil Defence Branch of Defence Department	1198—1201	Demand No. 5.—Opium	1466
Election of Members to the Standing Finance Committee for Railways	1201	Demand No. 6.—Provincial Excise	1466
Election of Members to the Central Advisory Council for Railways	1201—1205	Demand No. 7.—Stamps	1466
The Mines Maternity Benefit (Amendment) Bill—Introduced	1206	Demand No. 8.—Forests	1466
The Indian Central Oilseeds Committee Bill—Introduced	1206	Demand No. 9.—Irrigation, Navigation, Embankment and Drainage Works	1467
The Income-Tax and Excess Profits Tax (Amendment) Bill—Referred to Select Committee	1206—31	Demand No. 10.—Indian Posts and Telegraphs Department (including Working Expenses)	1467
		Demand No. 11.—Interest on Debt and Other Obligations and Reduction or Avoidance of Debt	1467
		Demand No. 12.—Executive Council	1467
		Demand No. 13.—Council of State	1467

TUESDAY, 13TH MARCH, 1945—*contd.*

PAGE

The General Budget—List of Demands—*contd.*

Demand No. 14—Legislative Assembly and Legislative Assembly Department	1467
Demand No. 15—Home Department	1467
Demand No. 16—Department of Industries and Civil Supplies	1467
Demand No. 17—Department of Information and Broadcasting	1467—68
Demand No. 18—Legislative Department	1468
Demand No. 19—Department of Education, Health and Lands	1468
Demand No. 20—Department of Commonwealth Relations	1469
Demand No. 21—Finance Department	1469
Demand No. 22—Commerce Department	1469
Demand No. 23—Department of Labour	1469
Demand No. 24—Department of Posts and Air	1469
Demand No. 25—War Transport Department	1469
Demand No. 26—Food Department	1469
Demand No. 27—Central Board of Revenue	1469
Demand No. 28—India Office and High Commissioner's Establishment charges	1469
Demand No. 29—Payments to other Governments, Departments, etc., on account of the administration of Agency subjects and management of Treasuries	1469
Demand No. 30—Audit	1470
Demand No. 31—Administration of Justice	1470
Demand No. 32—Jails and Convict Settlements	1470
Demand No. 33—Police	1470
Demand No. 34—Ports and Pilotage	1470
Demand No. 35—Lighthouses and Lightships	1470
Demand No. 36—Survey of India	1470
Demand No. 37—Botanical Survey	1470
Demand No. 38—Zoological Survey	1470
Demand No. 39—Geological Survey	1470
Demand No. 40—Mines	1471
Demand No. 41—Archaeology	1471
Demand No. 42—Meteorology	1471
Demand No. 43—Other Scientific Departments	1471
Demand No. 44—Education	1471
Demand No. 45—Medical Services	1471
Demand No. 46—Public Health	1471
Demand No. 47—Agriculture	1471

TUESDAY, 13TH MARCH, 1945—*contd.*

PAGE

The General Budget—List of Demands—*contd.*

Demand No. 48—Imperial Council of Agricultural Research	1471
Demand No. 49—Agricultural Marketing	1471
Demand No. 50—Civil Veterinary Services	1472
Demand No. 51—Industries	1472
Demand No. 52—Scientific and Industrial Research	1472
Demand No. 53—Aviation	1472
Demand No. 54—Capital Outlay on Civil Aviation met from Revenue	1472
Demand No. 55—Broadcasting	1472
Demand No. 56—Capital Outlay on Broadcasting met from Revenue	1472
Demand No. 57—Emigration—Internal	1472
Demand No. 58—Emigration—External	1472—73
Demand No. 59—Commercial Intelligence and Statistics	1473
Demand No. 60—Census	1473
Demand No. 61—Joint Stock Companies	1474
Demand No. 62—Imperial Dairy Department	1474
Demand No. 63—Miscellaneous Departments	1474
Demand No. 64—Currency	1474
Demand No. 65—Mint	1474
Demand No. 66—Civil Works	1474
Demand No. 67—Central Road Fund	1474
Demand No. 68—Superannuation Allowances and Pensions	1474
Demand No. 69—Stationery and Printing	1474
Demand No. 70—Miscellaneous	1474
Demand No. 71—Miscellaneous Adjustments between the Central and Provincial Governments	1475
Demand No. 72—Post-war Planning and Development	1475
Demand No. 73—Civil Defence	1475
Demand No. 74—Delhi	1475
Demand No. 75—Ajmer-Marwara	1475
Demand No. 76—Panth Pipoda	1475
Demand No. 77—Indian Posts and Telegraphs (Not met from Revenue)	1475
Demand No. 78—Indian Posts and Telegraphs—Stores Suspense (Not met from Revenue)	1475
Demand No. 79—Delhi Capital Outlay	1475
Demand No. 80—Commuted Value of Pensions	1476
Demand No. 81—Interest-free Advances	1476
Demand No. 82—Loans and Advances bearing interest	1476

LEGISLATIVE ASSEMBLY

Thursday, 8th March, 1945

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim), in the Chair.

MEMBERS SWORN :

- Sirdar Jogendra Singh, M.L.A. (Benares and Gorakhpur Divisions: Non-Muhammadan Rural);
Mr. Ram Nath, M.L.A. (Government of India: Nominated Official); and
Sir John Francis Sheehy, C.S.I., I.C.S., M.L.A. (Government of India: Nominated Official):

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

SUPPLY OF BRASS SHEETS BY GOVERNMENT

905. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Industries and Civil Supplies please state:

- (a) whether Government have issued a communique to supply brass sheets at the rate of 25 tons at a time;
- (b) how many applications have been received for such supply;
- (c) whether Government are giving only 70 tons a month to the whole of the Madras Presidency;
- (d) whether they are given only to two manufacturing companies, and whether both of them are owned by the same firm Jevanal, Limited, Calcutta; and
- (e) whether Mr. Hemchand K. Shai, the managing agent of the firm of Jevanal, is a member of the consumers' panel constituted by the Government of India?

The Honourable Sir M. Azizul Huque: (a) The Government of India issued a press note in December, 1943, stating that a limited quantity of brass sheets would be distributed each month among manufacturers for conversion into domestic utensils for civilian consumption. No specific quantity was mentioned in the press note.

- (b) About a thousand.
- (c) Yes.

(d) First part. Yes.

Second part. As far as Government are aware only one of them is owned by M/s. Jeewanlal (1929) Ltd., Calcutta.

(e) There is no Consumers' Panel. If the reference is to the Consumers Council the answer is in the negative.

Mr. T. S. Avinashilingam Chettiar: May I know, Sir, whether Messrs. Jeewanlal Ltd. is a Canadian company?

The Honourable Sir M. Azizul Huque: It is functioning in India but as to what its origin is I do not know. I understand that there is some Canadian connection.

Mr. T. S. Avinashilingam Chettiar: What sort of connection does the Honourable Member mean?

The Honourable Sir M. Azizul Huque: I do not know but I know that the company was started in India and then there was some Canadian amalgamation or something like that but I am not sure.

Mr. T. S. Avinashilingam Chettiar: In view of the fact that there must be many other purely Indian concerns which must have applied for brass sheets, may I know why the Government have chosen a Canadian company?

The Honourable Sir M. Azizul Huque: It was not selected because it happened to be a Canadian company. It was one of the companies which was doing business along with others before.

Mr. T. S. Avinashilingam Chettiar: If Indian companies have also been carrying on the trade, may I know why they have been left out?

The Honourable Sir M. Azizul Huque: They have been given.

Mr. T. S. Avinashilingam Chettiar: In Madras?

The Honourable Sir M. Azizul Huque: 70 tons have been given to the whole of the Madras Presidency.

Mr. T. S. Avinashilingam Chettiar: How much of this goes to the Canadian company?

The Honourable Sir M. Azizul Huque: I want notice of that.

Sardar Sant Singh: May I know if brass sheets are distributed to all the Provinces?

The Honourable Sir M. Azizul Huque: Yes, Sir.

Sardar Sant Singh: What is the quota for the Punjab?

Mr. T. S. Avinashilingam Chettiar: Sir, the Honourable Member has no reason to ask for more notice. My supplementary question is contained in the question itself. Sir, it is very improper of the Honourable Member to ask for more notice.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should leave that to me.

SUPPLY OF BRASS SHEETS BY GOVERNMENT

806. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Industries and Civil Supplies please state:

(a) how many tons of brass sheets are being supplied by Government to the brass-metal manufacturing industry;

(b) whether Government are aware that a major portion of this industry is worked as cottage industry in Madras and other Provinces; and

(c) if so, what arrangements have been made by Government to supply brass sheets to the cottage industries?

The Honourable Sir M. Azizul Huque: (a) No brass sheets have been released by the Government to the brass metal manufacturing industry. The reference is presumably to the brass *utensils* manufacturing industry which has been supplied brass sheets since June 1944 at the rate of approximately 400 tons per month.

(b) Yes, particularly in Madras.

(c) Having regard to the necessity of controlling prices of the finished utensils it was considered that release of sheets to handworkers could only be made if there were a reasonable guarantee that the minimum conditions relating to manufacture and distribution will be complied with. Accordingly monthly allotments of roughly 65 tons of brass sheets are already being made to two Provincial Governments, *viz.* U. P. and Bengal, for distribution among the cottage industry in their respective areas. Enquiries have been made from Provincial Governments regarding the possibility of large releases to hand made Utensils manufacturers.

Mr. T. S. Avinashilingam Chettiar: What are the quotas allotted to the United Provinces and Bengal?

The Honourable Sir M. Azizul Huque: I have not got separate figures for these two but I think it is about half and half.

Mr. T. S. Avinashilingam Chettiar: I want the number of tons.

The Honourable Sir M. Azizul Huque: For both it is 65 tons. 32 tons for U. P. and the rest for Bengal.

Mr. T. S. Avinashilingam Chettiar: Per year or per month?

The Honourable Sir M. Azizul Huque: Per month.

Mr. T. S. Avinashilingam Chettiar: What are the conditions which the Government want to be fulfilled?

The Honourable Sir M. Azizul Huque: So far as production is concerned, the manufactured products should be sold at a controlled price, which will be reasonable in comparison with the price of the brass sheets themselves. Our objective was to see that cheap brass utensils are available and therefore wherever Provincial Governments have undertaken the responsibility of seeing that

these utensils are properly and reasonably priced we have given brass sheets to the Provinces. As I have said, the other Provinces have been written to and their replies are awaited.

Mr. T. S. Avinashilingam: Chettiar: How much of brass sheets are asked for by these and the other Provinces and how much are they given?

The Honourable Sir M. Azizul Huque: I have got only 400 tons for the whole of India.

Sardar Sant Singh: May I know the quota given to the Punjab?

The Honourable Sir M. Azizul Huque: I want notice of that.

Mr. Govind V. Deshmukh: Was there any demand from the Central Provinces and Bihar?

The Honourable Sir M. Azizul Huque: I want notice of that question.

SHORTAGE OF YARNS FOR HANDLOOMS

507. *Mr. Abdul Qayum: Will the Honourable Member for Industries and Civil Supplies please state:

(a) whether weavers are experiencing acute shortage of yarns all over India and specially in Bihar;

(b) the percentage of handlooms now remaining idle in consequence of the above shortage; and

(c) the steps taken to increase production and distribution to avoid unemployment?

The Honourable Sir M. Azizul Huque: (a) There is shortage all over India, but it is mainly in the fine counts over 40's. It is correct that the shortage is particularly acute in Bihar.

(b) We have no definite statistics. The overall shortage as against the requirements estimated by the Fact Finding Committee is, however, only about five per cent. But since this shortage is concentrated almost entirely on fine counts a very much higher percentage of handlooms will be idle in areas primarily devoted to weaving from fine yarn, while in areas primarily dependent on coarse yarn there should not be any handlooms idle at all.

(c) A new yarn distribution scheme has been introduced. Under this scheme yarn is divided into four categories: 1's to 10's; 11's to 20's; 21's to 40's and over 40's. In each category each Province or State is given the percentage of its requirements which supplies permit; and the Textile Commissioner will decide which mills or dealers shall provide this percentage. The Provincial or State Government concerned will then decide which dealers shall do the buying for its area and will also control the detailed distribution within its own jurisdiction. This scheme should be in full working order within the next two or three weeks and it is hoped that it will largely remedy the situation as it should provide a cure for what have hitherto been the major defect of maldistribution and the widespread black marketing by dealers, particularly in the producing centres.

Mr. Abdul Qayum: May I know if the shortage is due to maldistribution or to the fact that less yarn is being produced?

The Honourable Sir M. Azizul Huque: As I have explained, a very large quantity of fine yarn which formerly used to be imported into this country is no longer available. On the other hand, whatever fine yarn is produced in the country is largely used by the mills for the production of textiles, with the result that whereas we have got a fair quantity of the coarser yarns, we have not as much as is necessary for the handlooms in the fine yarn section.

Mr. Abdul Qayum: May I know if Government have any information as to the percentage or total number of workers who have been thrown out of employment?

The Honourable Sir M. Azizul Huque: I have made inquiries from different provinces in view of the persistent reports which I got as regards illness amongst handloom weavers in different areas.

Mr. Govind V. Deshmukh: The conditions of weavers of Barhanpur were brought to the notice of the Honourable Member. Has anything been done for these weavers?

The Honourable Sir M. Azizul Huque: They have been brought to my notice just as conditions in my own town which deals in fine yarn have been, but my difficulty is I have not as much fine yarn as is required for all these places.

Mr. N. M. Joshi: May I ask if Government will consider the question of giving compensation for unemployed weavers?

The Honourable Sir M. Azizul Huque: I will ask the Honourable Member for Labour to reply. 0

HARASSMENT OF HAJ PILGRIMS AT KARACHI.

808. *Mr. Abdul Qaiyum: Will the Honourable Member for Commonwealth Relations please state:

(a) whether he has read the news item published in the *Dawn*, dated the 11th February, 1945, under the heading "Hajies harassed at Karachi";

(b) whether (i) pilgrims were subjected to ill treatment, (ii) arrangements made for them were unsatisfactory and (iii) passage were sacrificed for cargo shipments; and

(c) whether he has ordered an enquiry, and if so, with what result; and if not, why not?

The Honourable Dr. N. B. Khare: (a) Yes.

(b) (i) No.

(ii) No. A considerable number of pilgrims, for whom passages had not been reserved, arrived at the port direct. Ideal arrangements could not be provided for them and exaggerated complaints have been made by some of them.

(iii) No. On the other hand one ship had to leave with less than 100 passengers in the first sailing. Additional accommodation was also provided for 400 extra pilgrims who had arrived without booking their passage for the second sailing.

(c) Enquiry is being made into specific complaints received and suitable action will be taken.

Mr. Abdul Qaiyum: Is the Honourable Member aware that at a meeting of Indian pilgrims held in Mecca a resolution was passed demanding that the Government of India should hold an inquiry into the complaints of pilgrims, and that they should take action against the Haj Officer or the Executive Officer of the Government of India?

The Honourable Dr. N. B. Khare: I am not aware of it.

Mr. Abdul Qaiyum: In view of the fact that this resolution has been published in the newspapers has the Honourable Member taken any action to find out whether the complaints were true or otherwise?

The Honourable Dr. N. B. Khare: If there are specific complaints I will always make inquiries.

Mr. Abdul Qaiyum: Is the Honourable Member not aware that the complaint is quite specific that cargo was taken on, and that pilgrims who had come long distances to perform Haj were not allowed to go on board.

The Honourable Dr. N. B. Khare: The Honourable Member is not correct when he says that. I have already answered that cargo was not taken, and that on the other hand there were less pilgrims than the number allowed for the first sailing.

HAJ EXPENSES COLLECTED IN KARACHI

809. *Mr. Abdul Qaiyum: Will the Honourable Member for Commonwealth Relations please state:

(a) whether Haj expenses were collected in Karachi at Rs. 1-11-0 per *rial*;

(b) whether the rate of exchange was one *rial* per rupee; and

(c) whether excess charged will be refunded to the pilgrim concerned?

The Honourable Dr. N. B. Khare: (a), (b) and (c). Attention is invited to the replies to parts (c) and (d) of question No. 669.

Mr. Abdul Qaiyum: May I know whether it is clear that an excess amount was charged and whether it has been refunded?

The Honourable Dr. N. B. Khare: I have already replied the other day, that we are pressing for a refund.

Mr. Abdul Qaiyum: May I know why such excess was charged from these unfortunate pilgrims?

The Honourable Dr. N. B. Khare: It was charged by Saudi Arabia, not by us.

Mr. Abdul Qaiyum: What protection did Government give to Indian pilgrims against exactions by outside authorities?

The Honourable Dr. N. B. Khare: We are pressing for a refund.

LABOUR OFFICERS' TRAINING IN BRITAIN

810. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable the Labour Member please state:

(a) whether Labour Officers are being sent to the United Kingdom for training;

(b) the object and course of training; and

(c) how many are proposed to be sent and the expenditure involved in this scheme?

The Honourable Dr. B. R. Ambedkar: (a) Yes,

(b) The object is to have experienced and suitably trained staff to tackle problems of labour administration, *e.g.*, industrial relations including the settlement of labour disputes, factory inspection, and labour welfare, wage regulation and inspection, employment exchanges, demobilisation and resettlement, which are of immediate importance to India. The course will cover mainly all the subjects enumerated above and will be conducted partly at the headquarters of the Ministry of Labour and partly in other centres in the United Kingdom. It will last for a period of about six to eight months.

(c) The intention is to send three batches of 20 officers each, each batch including 12 officers of the Central Government and eight of the Provincial Governments and States. Financial sanction has been accorded to the sending of 12 Central Government officers with the first batch of trainees and this will cost the Central Government about a lakh of rupees. The Provincial Governments and States will bear the expenditure in connection with their nominees.

Sardar Sant Singh: Will the Honourable Member say how he proposes to make the selections?

The Honourable Dr. B. R. Ambedkar: With regard to the selections of nominees of Provinces and States, the matter rests with them. With regard to the selection of officers from Centre it rests with the Central Government of India. If the point of my Honourable friend is whether communal proportions will be recognised in making the selections, I want to tell him that I do propose to apply that principle.

Sardar Sant Singh: Will preference be given to those who are better qualified so far as educational qualifications are concerned.

The Honourable Dr. B. R. Ambedkar: It will be one of the qualifications.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether these officers will be selected by the heads of the particular Departments or by some Committee.

The Honourable Dr. B. R. Ambedkar: They are selected by the different Departments.

Sir Muhammad Yamin Khan: Are they officers already in Government service?

The Honourable Dr. B. R. Ambedkar: Yes, they will be officers already in service.

Shrimati K. Radha Bai Subbarayan: May I ask if Government will include women, as welfare of women workers is very important.

The Honourable Dr. B. R. Ambedkar: Yes.

BURMA EVACUEES AND REFUGEES

811. *Mr. Manu Subedar: (a) Will the Honourable Member for Commonwealth Relations please state how many Burma evacuees were servants of the Burma Government before they came to India?

- (b) How many of them have been absorbed, and in which Departments?
 (c) How many Burma evacuees who were not servants of Burma Government have been absorbed in Government service since they came?
 (d) What is the total amount of money Government have spent on refugees from Burma into India?
 (e) How many people have come to India from other parts of the world, excluding Burma, during the war as refugees?
 (f) What steps have Government taken in order to collect income-tax from such refugees?

The Honourable Dr. N. B. Khare: (a) 33,508.

(b) A statement giving such information as is readily available is laid on the table.

(c) Up-to-date information is not available and its collection will involve an amount of labour and time not commensurate with its value. The Honourable Member is, however, referred to Question No. 6 asked by Sardar Mangal Singh on the 7th February, 1944-in reply to which I laid on the table, in the last November Session, a statement giving the number of evacuees of all classes employed in Government services upto the end of January 1944. The total number of evacuees so employed was 23,800. I have had information that upto August 1944, 5,443 more evacuees were also employed.

(d) Exact figures of actual expenditure on evacuees, from Burma are not available separately. The total expenditure on all evacuees, the majority of whom are from Burma, is expected to be Rs. 7½ crores by the end of the year 1944-45.

(e) Approximately 13,700.

(f) Same steps as are taken under the provisions of the Income-tax Act in respect of other assesses.

Statement showing the approximate number of Burma Government servants taken into Government service in India

Department of the Government of India.

1. Posts and Telegraphs Department	11
2. Accounts Offices	99
3. Department of Supply	25
4. Labour Department	174
5. Income-tax	5
6. Emigration	2

7. E. H. and L. Department.

(Medical, Agricultural, Forests, etc. Services) 44

8. Indian Meteorological Department 32

9. Department of Industries and Civil Supplies 10

10. Railway Department 3

Railways.

11. East Indian Railway 40

12. Bengal Assam Railway 70

13. G. I. P. Railway 18

14. North Western Railway 1

Provincial Governments and Administration.

15. Punjab 127

16. Madras 121

17. United Provinces 44

18. Central Provinces 4

19. Baluchistan 7

Total 837

Mr. Manu Subedar: Are Government aware that there is serious discontent amongst the Indian officers of Government in many Departments that these refugees who have come from outside and who were Government servants in Burma, have been taken and that they have been superseded?

The Honourable Dr. N. B. Khare: I am not aware of that.

Mr. Manu Subedar: Will Government make inquiries, particularly with regard to high posts to which refugees from Burma and elsewhere have been appointed to the detriment of their own loyal servants?

The Honourable Dr. N. B. Khare: I will make inquiries if he will put down a question.

Sir Muhammad Yamin Khan: Is it also a fact that many of the people who have been taken are very old—over sixty years of age?

The Honourable Dr. N. B. Khare: I want notice.

ADULT LITERACY

812. *Mr. Manu Subedar: (a) Will the Secretary for Education, Health and Lands please state the attitude of the Government of India with regard to adult literacy?

(b) What specific steps have Government taken or recommended to be taken by Provincial Governments?

(c) What contribution have the Government of India made in this direction?

(d) What efforts have the Government of India made with regard to the increase of adult literacy amongst their own employees in Posts and Telegraphs, in Railways and other Departments?

(e) What steps have been taken to increase the literacy amongst the chaprasi and chowkidars employed by the Government of India at the Centre?

(f) What books, charts, or special publications, if any, have been devised by the Education Department during the last ten years towards this object?

(g) When was the subject of adult literacy discussed in the Board of Education during the last ten years, and with what result?

Mr. J. D. Tyson: (a), (b), (c) and (g). At the request of the Government of India the Central Advisory Board of Education in December 1938 appointed a Committee to consider the question of adult education both generally and with special reference to the removal of illiteracy. The recommendations of the Committee as adopted by the Board have been brought to the notice of Universities, Provincial Governments and Local Authorities for guidance and necessary action. Since 1940 the Central Bureau of Education has been collecting, from Universities, Provincial Governments and Local authorities reports on developments in adult education year to year for consideration by the Central Advisory Board of Education. In their recommendations on post-war educational development (1944) the Board have also formulated a comprehensive scheme of adult education, including adult literacy, spread over 20 years to meet the entire requirement of the country, in this behalf.

(d) The information is being collected and will be laid on the table of the House in due course.

(e) (i) The Library of the Central Bureau of Education maintains a special section, with suitable literature and films, to promote literacy and education among the inferior servants of the Government of India, in New Delhi and Simla.

(ii) It is proposed subject to the vote of the Legislature to sanction a grant of Rs. 1,000 in 1945-46 to the New Delhi Social Service League, whose services in the promotion of literacy amongst inferior servants of the Central Government have, in recent years, been commendable.

(f) Literature and Charts, to meet the requirements of adult literacy, are being prepared and published by Provincial Governments and voluntary organisations interested in the problem. The Central Advisory Board of Education, through their expert committees appointed to consider the questions of Adult Education (1938) and Text Books (1944) have made useful suggestions for the preparation of such literature and charts.

Mr. Manu Subedar: May I inquire whether Government of India in the Education Department are making any effort to offer a good model as an employer to the rest of the country by eliminating illiteracy amongst their own employees?

Mr. J. D. Tyson: The answer to that will be placed on the table under (d)

Prof. N. G. Ranga: Are Government satisfied that their grant of one thousand rupees for anti-illiteracy campaign in their centrally administered areas is satisfactory or honourable?

Mr. J. D. Tyson: It does not cover the whole of the centrally administered areas: it is for the promotion of literacy among inferior servants of the Central Government in Delhi.

Mr. Manu Subedar: Will Government write to the Provincial Governments to make special efforts to eliminate illiteracy amongst Government employees of all kinds, in order that other employers may take the hint and proceed likewise?

Mr. J. D. Tyson: We commended the recommendation of the Committee of 1938-39 to Universities, Provincial Governments and local authorities for their guidance.

DIFFICULTIES IN RETURN PASSAGE OF OVERSEAS INDIANS FROM EAST AFRICA, KENYA ETC.

813. **Mr. Manu Subedar:** (a) Will the Honourable Member for Commonwealth Relations please state whether any representation has been received by Government, or they have seen any complaints in the press about the hardship caused to Indians from East Africa, Kenya and other foreign parts, who are unable to return?

(b) Has it been pointed out that some of them might lose their citizenship or other rights which they have acquired in these countries, if they were not permitted to go back soon?

(c) How many applications were received by Government and how many were granted?

(d) What have the Government of India done to secure additional passages for these persons?

(e) What sort of difficulty have Government experienced in their efforts to ease the situation?

(f) Has a representation been made to the corresponding authorities outside India to extend the period or to condone the delay in the return of such persons so as not to affect their rights?

(g) If so, what were the representations, to whom were they made and with what results?

The Honourable Dr. N. B. Khare: (a) to (g). For information regarding countries outside the Commonwealth the question should be addressed to the External Affairs Department. I have had reports and representations that certain Indians domiciled in South Africa and East Africa who came to India on short visits have been experiencing difficulties in obtaining return passages. The position with regard to Indians from South Africa is as follows:

Indians domiciled in South Africa have to obtain certificates of identity from the Union Government for paying temporary visits to India. These certificates remain in force generally for three years but can be extended for a maximum period of ten years. Holders of these certificates failing to return to the Union within the prescribed period lose their Union domicile. When the shipping position became difficult in 1940 the Union Government granted extension in individual cases in which proof of inability to return owing to shipping difficulties was furnished. In 1942, however, the Union Government decided that no extension would be granted to those who had left the Union after the 1st May, 1942. It is understood that many Indians who left the Union after 1st May, 1942 have not been able to secure their return passage so far. To enable them to return before the expiry of their certificates the Government of India have arranged several hundred priority passages for sailings in February and March. Action has also been taken for securing extra shipping accommodation. Renewed representations have also been made to the Union Government for extending the periods of the certificates. The Union Government have since agreed to grant extension on condition that the Government of India certify in each

case that a passage had been booked and that shipping accommodation was not available.

2. As regards East Africa the position is that non-natives, unless they are normal residents of the country and have not been away for more than two years, are required to obtain permits from the East African Government concerned before entering its territory. Such permits are issued only to persons who propose to take up some approved occupation connected with the war effort. On representations made by the Government of India the East African Governments have stated that entry permits will not be refused to applicants who are *bona fide* residents of the countries and have been absent even for more than two years. If these assurances are implemented Indians normally resident in the East African territories are not threatened with any loss of rights of citizenship. Applications for priority passages from Indians desiring to return to East Africa are considered on merits.

3. Information about the exact number of such applications received and disposed of is not readily available but will be collected if the Honourable Member so desires.

Mr. Manu Subedar: In view of the fact that certain classes are suffering much, may I inquire whether the Honourable Member will issue a Press Note giving those particular classes the information which he has now given?

The Honourable Dr. N.-B. Khare: I will consider that.

REGISTERED TRADE UNIONS

814. **Mr. Manu Subedar:** (a) Will the Honourable the Labour Member please state how many registered Trade Unions there are in India and what the total membership is?

(b) What is the total number of persons employed in industrial concerns excluding State concerns?

(c) On what basis have Government recognized Trade Unions for State employees such as Posts, Telegraphs, Railways, etc.?

(d) What channel have Government provided for representation of subordinate services in the Civil Departments of the Government of India of their legitimate grievances, particularly with regard to dearness caused by the war?

(e) What assistance or contribution or grant, direct or indirect, has been given to labour Unions in India by the Government of India during the last five years and for what purposes?

The Honourable Dr. B. R. Ambedkar: (a) On the 31st March, 1942, there were 747 registered unions and the membership of 455 unions out of these (which submitted returns) was 5,73,520. I regret later information is not available.

(b) According to the latest available reports the average daily number of persons employed during 1943 in private factories subject to the Factories Act, 1934, was about 21 lakhs and that in mines subject to the Mines Act, 1923, about 3½ lakhs. In the Assam tea plantations the average number of workers on the books was a little over 6 lakhs during 1942-43.

(c) A copy of the Rules regulating recognition of unions of industrial employees of the Central Government is laid on the table.

(d) Members of Subordinate Services in Civil Departments can represent their grievances either orally or in writing to the Heads of Departments or similarly placed officers or can approach such authorities or Government through recognised unions, staff councils or works committees, where they exist. It is also open to any aggrieved Government servant to make representations to the Head of his Department or the Government of India in accordance with the instructions laid down in Home Department Notification No. 106/38, dated the 24th August, 1938, a copy of which is laid on the table.

(e) The Railway Department grant to railway employees who are union officials certain facilities in regard to casual leave and free passes for railway journeys for attending meetings of the union. No other direct assistance is granted to labour unions as such by the Government of India.

Rules for the recognition of associations of industrial employees (including railway employees) of the Government of India

1. Government is prepared to accord official recognition to associations of its industrial employees. The grant and continuance of recognition rests in the discretion of Government, but recognition when granted will not be withdrawn without due cause and without giving an opportunity to the association to show cause against such withdrawal.

2. Notwithstanding anything contained in the rules relating to the submission of petitions and memorials by Government servants, representations from recognised associations whether made orally by deputation or presented in writing, may be received by Government officers, subject to the observance of rule 6 and to such further restrictions as may be imposed by a department of Government in respect of representations which raise no question of common interest to the class represented by the association.

3. Recognition will not ordinarily be granted or continued to any association unless it complies with the following conditions:—

- (i) it must consist of a distinct class of Government employees;
- (ii) all Government employees of the same class must be eligible for membership;
- (iii) it must be registered under the Indian Trade Unions Act.

4. Government may require the regular submission of copies of the rules of any recognized association, of its annual accounts and of its list of members.

5. No recognized association shall maintain a political fund except with the general or special sanction of Government, and subject to such conditions as Government may impose.

6. Government may specify the channel through which representations from recognised associations shall be submitted and the authority by whom deputations may be received.

7. The officer who is empowered to grant leave to a Government employee will, so far as is possible, grant casual leave to an employee who is a representative of a recognized association to attend duly constituted meetings of the association. The grant of such leave will be subject to the exigencies of the service, of which the officer in question shall be the sole judge.

8. Government may delegate any of its powers under the preceding rules to any authority subordinate to it.

9. These rules supersede all previous rules in respect of all associations to which they are applicable.

HOME DEPARTMENT

NOTIFICATION

ESTABLISHMENTS

Simla, the 24th August 1939

No. 106/38.—The following instructions for the submission, receipt and transmission of petitions to the Governor General in Council are published for general information in supersession of the instructions published with the Government of India, Home Department, Notification No. F. 6/7/33-II-Public, dated the 19th June 1933, in so far as they relate to petitions from persons who are, or have been, in the Civil Service of the Crown in India:—

PART I

Preliminary

1. *Definitions.*—In these instructions:—

- (1) "Provincial Government" includes the authorities mentioned in the Schedule; and
- (2) "Petition" includes memorials, letters and applications of the nature of petitions.

2. *Scope of Instructions.*—(1) Save as hereinafter provided, these instructions shall apply, so far as may be, to all petitions addressed to the Governor General in Council, by persons who are, or have been, in the Civil Service of the Crown in India other than those employed under the Crown Representative in respect of matters arising out of such employment or in respect of the termination of such employment.

(2) They shall apply only in so far as they are not inconsistent with the conditions of Royal Indian Navy, Army, or Royal Air Force Service to petitions of the nature referred to in sub-instruction (1) from persons who are or have been in such service in respect of matters arising therefrom.

(3) They shall not affect any rules or orders made by the Governor General in Council in respect of representations submitted by recognised associations of Government servants.

PART II

Form and manner of submission of petitions

3. *Form of petition.*—(1) A petition may be either in typescript or in print.

(2) Every petition shall be authenticated by the signature of the petitioner, and submitted by the petitioner in his own behalf.

(3) Every petition, and the documents accompanying it, shall be in English.

4. *Contents of petition.*—Every petition shall—

- (a) contain all material statements and arguments relied upon by the petitioner;
- (b) be complete in itself;
- (c) if any recorded order of a public authority is complained against, be accompanied by a copy of the orders and by a copy of any order in the case passed by a subordinate authority; and

(d) end with a specific prayer.

5. *Method of submission.*—(1) Every petition shall be submitted through—

(a) the Provincial Government mentioned in the Schedule in respect of the petitioner; or
(b) if no Provincial Government is mentioned in the Schedule in respect of the petitioner, the Provincial Government of the province in which the petitioner is or has last been residing or employed,
and shall be accompanied by a letter requesting the Provincial Government to transmit the petition to the Governor General in Council.

(2) If there is no Provincial Government such as referred to in sub-instruction (1), the petition shall be submitted to the Governor General in Council direct.

6. (1) Every petition shall be submitted to the authority provided in instruction 5 through the head of the office or department to which the petitioner belongs or belonged.

(2) The head of an office or department, on receipt of any petition submitted through him in accordance with sub-instruction (1), shall forward the petition, by means of the usual official channel, to the authority provided in instruction 5.

PART III

Withholding of petitions by the Provincial Government

7. *Circumstances in which petitions may be withheld.*—The Provincial Government may, at discretion, withhold a petition when—

(1) the petitioner has not complied in full with the provisions of Part II of these instructions;

(2) the petition is illegible or unintelligible or contains language which is, in the opinion of the Provincial Government, disloyal, disrespectful or improper;

(3) a previous petition from the petitioner on the same subject has been disposed of by the Secretary of State for India or the Governor General in Council, and the petition, in the opinion of the Provincial Government, discloses no new facts or circumstances which afford grounds for a reconsideration of the subject;

(4) the petition is a representation against a decision which is declared to be final by any law or statutory rule;

(5) the petition is—

(a) an application for employment in Government service not made in pursuance of any rule or announcement regarding applications for such employment; or

(b) a request for exemption from the provisions of any law or rule prescribing the qualifications to be possessed by persons in the service of Government or by persons engaging in any profession or employment;

(6) the petition relates to a subject on which the Provincial Government is competent to pass orders, and no application for redress has been made by the petitioner to the Provincial Government;

(7) the petition is a representation against an order communicated to the petitioner more than six months before the submission of the petition, and no satisfactory explanation of the delay is given;

(8) the petition is a representation against a failure to exercise a discretion vested in the Provincial Government :

Provided that no petition submitted by an officer appointed by the Secretary of State in Council or the Secretary of State or a Commissioned Officer on the Active List of the Royal Indian Navy, or an officer holding the King's Commission on the Active List of the Regular Army or the Royal Air Force or an officer appointed substantively to a reserved post, or an officer appointed by the Governor General in Council to the Central Service, shall be withheld;

(9) the petition is a representation against the discharge of a person—

(a) appointed on probation, during such probation;

(b) appointed, otherwise than under contract, to hold a temporary appointment, on the expiration of the period of such appointment; or

(c) engaged under contract, in accordance with the terms of such contract.

(10) the petition is a representation against an order—

(a) from which the petitioner has exercised, or possesses, a right of appeal under—

(i) rules or orders regulating his conditions of service; or

(ii) the terms of his contract of service;

(b) passed by any authority in the exercise of appellate or revisional powers conferred by any rule, order or contract such as is referred to in sub-clause (a); or

(c) from which, not being an order of punishment passed by the Governor General in Council on an officer appointed by the Governor General in Council, an appeal is expressly barred by any rule, order or contract such as is referred to in sub-clause (a);

(11) the petition is a representation relating to—

(a) the application of—

(i) rules or orders made by the Secretary of State for India in Council or the Secretary of State for India; or

(ii) the terms of the contract of service of the petitioner; or

(b) an order of the Provincial Government refusing to grant or to recommend—

(i) a special pension;

(ii) a compassionate pension; or

(iii) Any pecuniary or other concession to which the petitioner is not entitled under any law or statutory rule :

Provided that no petition submitted by an officer appointed by the Secretary of State in Council or the Secretary of State or a Commissioned Officer on the Active List, of the Royal Indian Navy or an officer holding the King's Commission on the Active List of the Regular Army or the Royal Air Force or an officer appointed substantively to a reserved post, or an officer appointed by the Governor General in Council to a Central Service, shall be withheld;

(12) the petition is submitted, otherwise than in accordance with any rule, order or contract such as is referred to in sub-clause (a) of clause (10), with regard to the prospective claim of the petitioner to pension; or

(13) the petition is a representation against the withholding of a petition by an authority competent to do so.

8. *Petitioner to be informed when petition is withheld.*—The Provincial Government shall, when a petition is withheld under instruction 7, inform the petitioner of the withholding and the reason therefor.

9. *List of petitions withheld.*—The Provincial Government shall send a quarterly return to the Governor General in Council specifying all petitions from officers under the rule-making control of that authority or an authority subordinate thereto, withheld under instruction 7 by the Provincial Government, and the reasons for withholding them.

PART IV

Transmission of petitions by the Provincial Government

10. *Procedure for transmission.*—The Provincial Government shall transmit to the Governor General in Council all petitions not withheld under instruction 7, together with a concise statement of facts material thereto and, unless there are special reasons to the contrary, an expression of the opinion of the Provincial Government thereon.

SCHEDULE

List of authorities included in the term "Provincial Government"

[See Instruction 1 (1)]

1. Chief Commissioners.

2. The Commander-in-Chief in India and Army, District and Independent Brigade Commanders.

NOTE.—In the case of petitioners who are ex-soldiers and have served under more than one Army, District or Independent Brigade Commander, the Provincial Government for the purposes of these instructions shall be the Army, District or Independent Brigade Commander who from his knowledge of the petitioner or of the subject-matter of the petition is best able to make recommendations on the petition.

3. The Air Officer Commanding, Royal Air Force in India.

4. The Flag Officer Commanding, Royal Indian Navy.

5. Heads of Departments who are directly under the Government of India.

6. In respect of persons serving under the Railway Board—

(a) as regards non-pensionable non-gazetted staff :—

(i) General Managers,

(ii) Chief Engineers,

(iii) Chief Operating and Transportation Superintendents,

(iv) Chief Traffic and Commercial Managers,

(v) Locomotive and Carriage, and Wagon Superintendents,

(vi) Chief Mechanical Engineers,

(vii) Superintendents of Mechanical Workshops,

(viii) Financial Advisers and Chief Accounts Officers,

(ix) Divisional Superintendents,

(x) Controller of Railway Accounts.

(b) as regards other staff :—

The Railway Board.

} of the N. W., E. B.,
E. I. and G. I. P.
Railways.

E. CONRAN-SMITH,

Secretary to the Government of India.

No. 106/38-Ests.

Copy forwarded to all Provincial Governments, all Chief Commissioners, all Departments of the Government of India, the Political Department, the Secretaries to the Governor General (Personal), (Public) and (Defence Co-ordination), the Director, Intelligence Bureau, the Principal Information Officer, the Federal Public Service Commission, the Federal Court, the Private Secretary to His Excellency the Viceroy, the Military Secretary to His Excellency the Viceroy, and the Auditor General in India.

By order,

P. A. MENON,

Under Secretary to the Government of India.

PROPAGANDA MATERIAL GIVEN TO HYDARI MISSION AND TO BUSINESSMEN MISSION TO AUSTRALIA

815. *Mr. Manu Subedar: (a) Will the Honourable the Commerce Member please state what propaganda material has been given to (i) the Hydari Mission, and (ii) the mission of businessmen which has gone to Australia?

(b) Why are not these papers supplied to members of the Legislature?

(c) Have Government received any representation from the Government of Australia or from the Australian High Commissioner in India on the subject of trade between Australia and India?

(d) If so, do they propose to circulate a copy of it to Members of the Legislature?

(e) Have Government considered in what field Australia offers competition to India?

(f) Have Government considered that the wheat import duty was directed principally against Australia?

(g) Have Government made any plan or programme with regard to the future trade organization of India?

The Honourable Sir M. Azizul Huque: (b) None.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

(e) There has not arisen any occasion so far necessitating such a review.

(f) The duty was imposed to safeguard the interests of Indian agriculturists and to preserve the Indian market for Indian wheat.

(g) Formulation of any programme or plan in this matter is closely related to the post-war economic conditions of the world which it is too early yet to envisage.

Mr. Manu Subedar: May I know what is the deputation which has gone to Australia expected to do?

The Honourable Sir M. Azizul Huque: They have gone with a view to establish industrial contact, to see the country and its development and the way in which the country has developed.

Mr. Manu Subedar: After their report has been received by Government, is there any intention to negotiate a trade treaty with Australia?

The Honourable Sir M. Azizul Huque: I do not expect any formal report of that character.

Mr. Hooseinbhoj A. Lalljee: May I know whether the Hydari Mission is carrying on its work under the directions of the Commerce Department?

The Honourable Sir M. Azizul Huque: That hardly arises out of this question.

Mr. Hooseinbhoj A. Lalljee: The Commerce Member is replying to this question.

The Honourable Sir M. Azizul Huque: So far as the Hydari mission is concerned, it has been repeatedly answered in this House as to the reasons for which it has gone; and naturally though one Department is particularly responsible for coordinating the different needs of the different Departments, it is that Department which is responsible to see that these things are done, in which the Supply, War, Finance, Commerce, Industry and other Departments are participants.

Mr. Hooseinbhoj A. Lalljee: That is exactly what I want to know—who directs the mission?

The Honourable Sir M. Azizul Huque: There is no question of direction; it is a question of discussion at the other end with a view to relieve the economic load on India in the next few months and the coming year.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

UTILIZATION OF NON-ARABLE WASTE LANDS

†816. ***Mr. Amarendra Nath Chattopadhyaya:** (a) Will the Secretary for Education, Health and Lands be pleased to state what steps he has taken to utilise all waste lands not fit for cultivation, in the whole of India in general and in Bengal in particular? Will the Honourable Member be pleased to lay on the table any scheme for utilisation of waste lands in the villages?

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

(b) What is the total area of extra lands in each Province brought under cultivation under the "Grow More Food" campaign scheme during 1943-44, and what kind and quantity of food has been produced to add to the normal production?

(c) What has been the total cost of production of the extra food Province by Province?

(d) What steps have been taken for plantation of Cinchona, Belladonna, Nux Vomica to make it possible for India to secure quinine and Belladonna for her own consumption without requiring imports from abroad?

Mr. J. D. Tyson: (a) A statement is placed on the table showing the loans and grants given to each province for land clearance and improvement. It may be presumed that the 10.35 million acres of extra land cultivated in British India was obtained by bringing fallow and cultivable waste under cultivation. In addition the Central Government have suggested to the Provinces to grow 'minor forests' for village timber, fuel and fodder on waste land not capable of bearing food or cash crops. As regards the utilisation of cultivable waste, the Government of India have asked the Provinces to institute a survey to collect precise information about in position to extent of such lands and to find out what prevents them from being cultivated and what action is needed to bring them under cultivation. They have also promised financial assistance for the purpose. The Government of Madras submitted a scheme to undertake such a survey for which financial assistance has been sanctioned. A similar proposal from the Government of Orissa has recently been received and is under examination. Most of the schemes for improvement of irrigation, drainage and bunding are schemes for the utilisation of waste lands or the better utilisation of lands which are more or less derelict (i.e., inadequately cultivated).

(b) A statement is laid on the table of the House.

(c) The cost of production is not known. If the Honourable Member is referring to the grants given by the Central Government to each province, the information is given in my reply to starred question No. 685 of the Honourable Mr. Ananga Mohan Dam on 5th March 1945.

(d) Quinine production has been increased from about 70,000 lbs. to over 90,000 lbs. a year. In addition approximately 2,500 acres have been close-planted under a short term production scheme. Arrangements have been made for the planting of an additional area of 1,390 acres in 1945 and a further area of 1,000 acres in 1946. A scheme for vegetative reproduction on a large scale is being undertaken in order to improve the outturn from existing plantations.

As regards Belladonna and Nux Vomica, India is already in a position to meet her requirements without imports.

A statement showing the loans and grants given during 1943-44 and 1944-45 to Provinces and Indian States for land clearance and improvement

Name of the Province or Indian State	1943-44		1944-45	
	Loan	Grant	Loan	Grant
	Rs.	Rs.	Rs.	Rs.
1. Bihar				5,76,970
2. Bombay	3,00,000	1,00,000		15,00,000
3. C. P. and Berar	2,00,000	1,00,000	1,48,970	47,985
4. Coorg		41,250		
5. Madras			16,25,000	2,02,466
6. Orissa	3,76,500	89,900	4,45,500	44,000
7. Punjab		3,00,000		6,00,000
8. U. P.				1,01,000
9. Baroda State		30,000 (C. F.)		52,000 (C. F.)
Total	8,76,500	6,61,150	22,19,470	31,24,421

NOTE.—C. F. denotes Cotton Fund.

Statement showing increase in area and production of principal food grains in various provinces during 1943-44 over the average of three years 1936-37 to 1938-39

Provinces	Extra Area (Thousand acres)	Extra Cereal Production (Thousand tons)
Ajmer-Merwara	60	17
Assam	Nil	307
Bengal	4,771	3,068
Bihar	361	535
Bombay	Nil	54
C. P. and Berar	630	188
Coorg	3	14
Delhi	7	8
Madras	491	212
N.-W. F. P.	Nil	Nil
Orissa	27	Nil
Punjab	2,097	651
Sind	623	273
U. P.	1,652	134

RESEARCH WORK AT NUTRITION RESEARCH LABORATORIES, COONOR

817. ***Mr. Govind V. Deshmukh:** Will the Secretary for Education, Health and Lands please state:

(a) what the foods of human beings as well as of cattle are on which nutrition research work has been carried on at the Nutrition Research Laboratories, Coonoor; and

(b) if the research workers have to go to distant towns where hospitals are situated to try their researches on human beings as there is no decent hospital for men at Coonoor; if so, whether this Research Centre will be shifted to some other town where all these facilities exist; what the special reason is for keeping the research centre at Coonoor?

Mr. J. D. Tyson: (a) Between 300 and 400 items of human food have been analysed in the Nutrition Research Laboratories, Coonoor. A list of the foods analysed and the results of most of the analyses are contained in Health Bulletin No. 23 entitled "The Nutrition Value of Indian Foods and the Planning of Satisfactory Diets", a copy of which is available in the Library of the House. I shall be glad to supply a copy to the Honourable Member if he so desires. Cattle foods are not analysed at these Laboratories.

(b) The staff of the Coonoor Laboratories have been carrying out clinical research in Madras and other centres in India. Coonoor is suitable for many forms of nutrition research, but local clinical facilities for research are inadequate. The question of the future location of the Central Nutrition Research Institute will be considered in connection with post-war development plans after receipt of the Report of the Health Survey and Development Committee.

Mr. Govind V. Deshmukh: Is the Honourable Member aware that the necessity for research has been emphasized in the bulletins issued from this and other Departments? Is the Government taking that recommendation into consideration or does Government consider that no harm is likely to happen and that the country can wait till the post-war development?

Mr. J. D. Tyson: Yes, Sir. We can certainly await the recommendations of the Bhore Committee.

Mr. Govind V. Deshmukh: Is the Honourable Member aware that in the Aykroyd Report the necessity for immediate intensive propaganda for research work has been emphasized?

Mr. J. D. Tyson: I am quite aware of that.

Mr. Govind V. Deshmukh: What is the Government doing to carry out that recommendation?

Mr. J. D. Tyson: The Bhoze Committee will give us guidance as to how it is to be carried out.

Prof. N. G. Ranga: Has any effort been made to start such research laboratories anywhere else in India?

Mr. J. D. Tyson: Not by the Central Government at present.

Prof. N. G. Ranga: Has any province such a proposal?

Mr. J. D. Tyson: That information should be elicited by questions in the local Legislatures.

SCARCITY OF NUTRITION WORKERS

818. *Mr. Govind V. Deshmukh: Will the Secretary for Education, Health and Lands please state if his attention has been drawn to paragraph (6) at page 9—'Scarcity of Nutrition Workers' of Notes on Food and Nutrition Policy in India by W. R. Aykroyd, C.B.E., M.D.Sc., publisher to Government of India, Department of Food? What steps do Government propose to take to get over it, and when?

Mr. J. D. Tyson: Yes. The question of the training of nutrition workers is being considered by the Health Survey and Development Committee. It will be examined by the Government of India after receipt of the Report of the Committee.

MONEY REQUIRED FOR REPAIRS OF KHEDEDIA FORT MONUMENTS

819. *Mr. Govind V. Deshmukh: With reference to my starred question No. 38, put on the 9th February, 1945, about Khededia fort and his answers and supplementaries thereto, will the Secretary for Education, Health and Lands please state:

(a) how much money would be required to carry out the special repairs mentioned by him in part (b) of his reply; and

(b) when he expects to get the necessary funds?

Mr. J. D. Tyson: The information has been called for and a reply will be furnished to the House when it is received.

†820.*

CLOSING OF BENGAL COTTON MILLS DUE TO COAL SHORTAGE

821. *Mr. K. C. Neogy: (a) Will the Honourable Member for Industries and Civil Supplies be pleased to refer to his answer to my starred question No. 178 on the 14th February, 1945, and state for how many days the Cotton Mills in Bengal remained closed due to coal shortage during the period referred to therein, and what the total loss of production of these Mills in January was?

(b) With reference to the Honourable Member's statement that the total loss of production in India during January was in the neighbourhood of 23·7 million yards of cloth, and will, to that extent, reduce supplies of cloth to civil population, will the Honourable Member be pleased to refer to the original question on this point and state whether any proportion of this shortage will reduce the quota for export outside India, and, if not, is such quota deemed to be an inflexible figure regardless of the position of total production in India at any time?

The Honourable Sir M. Azizul Huque: (a) Six cotton mills of Bengal remained closed due to coal shortage during January 1945 for varying periods. The exact number of days for which each of them remained closed is not known but the information is being collected. The total loss of production is estimated at about 2·38 million yards.

(b) There has been no reduction in the export quota as a result of this shortage so far. But the export quota is not an inflexible figure. It is reviewed every six months and all relevant factors such as any rise or fall in the all India production, minimum essential requirements of overseas countries, etc., are duly taken into account and I can assure the Honourable Member that it will be taken into account.

†This question has been postponed to be answered on the 26th March, 1945.

Mr. K. O. Neogy: May I take it that the question is yet open as to how far the export quota will be reduced in order to compensate for the shortage of production?

The Honourable Sir M. Azizul Huque: I have said that figures are only available for the month of January when the situation arose. When the next export quota will be considered, this is one of the factors which will be considered along with others.

DISAPPROVAL OF COTTON TEXTILES EXPORT POLICY

822. *Mr. K. O. Neogy: (a) With reference to the reply given by the Honourable Member for Industries and Civil Supplies to my starred question No. 176 on the 14th February, 1945, to the effect that the export trade welcomes the facilities for exporting the allotted quantity of textiles and the Textile Board has been kept fully informed about it, will the Honourable Member please state whether representatives of the Indian Cotton Textiles Industry do not generally disapprove of the export policy in this behalf?

(b) Is it a fact that at a meeting of the Panel of the Indian Cotton Textile Industry (Standard Cloth) held on the 31st January, 1943, prominent representatives of the industry, such as Mr. Kasturbhai Lalbhai, Sir Shri Ram and Sir Ness Wadia, adversely criticised the export policy of the Government holding that the home market was more important for the industry than the export market and that most of the countries where exports of cotton textiles were being made at the instance of Government, would not remain customers of Indian concerns after the war was over? Is it a fact that representatives of the Indian Cotton Textile Industry and others present at a conference held in Bombay under the Chairmanship of Sir Akbar Hydari on the 1st and 2nd June, 1943, were of the opinion that export of cotton textiles could be permitted only after the internal demand of India had been fully satisfied?

The Honourable Sir M. Azizul Huque: (a) No.

(b) It is correct that in January 1943 Sir Shri Ram, Sir Ness Wadia, and Mr. Kasturbhai Lalbhai criticised Government's export policy for the reasons given. They were however in a minority in a meeting of 27. We have no detailed records of what was said at the meeting of 1st and 2nd June 1943; it is possible, however, that some of the invitees to the meeting may have expressed the views suggested by the Honourable member.

Mr. K. O. Neogy: Was this issue specially raised at any meeting of the Control Board and votes taken?

The Honourable Sir M. Azizul Huque: As far as I have seen the proceedings, this question came in connection with other questions which were discussed but I am not quite certain whether that specific issue was raised.

Mr. K. O. Neogy: Will the Honourable Member be pleased to direct the officer concerned to see to it that this issue is raised specifically for consideration at the next meeting of the Control Board and find out the views of the majority of that body?

The Honourable Sir M. Azizul Huque: I will consider that matter. This question will have to be discussed in connection not only with the shortage position but with the position which might arise so far as the foreign supply is concerned. All these matters will have to be considered as soon as possible.

DISAPPROVAL OF COTTON TEXTILES EXPORT POLICY

823. *Mr. K. O. Neogy: (a) Will the Honourable Member for Industries and Civil Supplies please state if it is not a fact that the question of exporting textiles to most of the foreign countries to which they are now being exported, is really a political question and that the present policy has not the support of the industry itself?

(b) As regards the support of the export trade, who are the firms that benefit by the export trade in cotton textiles at present, and what was approximately the extent of the export trade in Indian cotton textiles which they handled before the war, as compared with the trade that they are approximately handling at present?

The Honourable Sir M. Azizul Huque: (a) No.

(b) It is not possible to prepare a list of firms which benefit from the export trade in Cotton Textiles as such a list must comprise not only those who actually receive export licences on the basis of exports handled by them in the prescribed basic period but also others such as mills and wholesale dealers from whom the licence holders make their purchases. It is not also easy to collect information regarding the volume of export trade in textiles handled by such firms before the war.

Mr. T. T. Krishnamachari: Will the Honourable Member consider the desirability of having one flat rate for all provinces? I suppose the needs of everybody will be much the same. Will the Honourable Member consider the question?

The Honourable Sir M. Azizul Huque: Only yesterday I received a deputation on behalf of the exporters of textiles who raised the same point. I propose to consider this matter as soon as possible.

Mr. K. O. Neogy: With regard to part (a) of the question, is it not a fact that at the meeting of the Indian Cotton Textile Panel, prominent owners of Indian textile mills expressed themselves to the effect that this question of export quotas really was a political question and that they did not think it would benefit the industry?

The Honourable Sir M. Azizul Huque: I am not aware of that and I do not at all agree that it is a political question. If we think of the post-war world, we have to think of the export market which India will have to get and I do not expect that India will remain in a static position, only looking to her deeds and not expanding her export market. It is a question which is discussed only in its economic aspect and no other, except questions which have arisen directly out of war considerations.

Mr. K. O. Neogy: May I draw my Honourable friend's attention to the proceedings of the Indian Textile Panel of the 31st January 1943 where at pages 4, 5 and 6, the Honourable Member will find expressions of opinion to the effect I have already quoted?

The Honourable Sir M. Azizul Huque: I am aware of that but as I said we discussed on economic and industrial grounds and since 1943, the volume has been reduced.

PER HEAD CLOTH QUOTA FOR BENGAL

824. **Mr. K. O. Neogy:** (a) Will the Honourable Member for Industries and Civil Supplies be pleased to refer to my starred question No. 175 and the answer given by him on the 14th February, 1945, and state on what materials the estimate that the pre-war annual consumption of textiles was in the neighbourhood of 10 yards per head in the case of Bengal, is based?

(b) Is it a fact that this calculation was challenged on behalf of the Bengal National Chamber of Commerce, the Indian Chamber of Commerce, the Marwari Chamber of Commerce, the Marwari Association and the Bengal Millowners' Association, of Calcutta, in a joint communication, dated the 29th November, 1944, to the address of the Government of India in the Department of Industries and Civil Supplies? Has any reply been sent to this communication dealing with this as well as other points raised therein? If so, will the Honourable Member be pleased to lay on the table of the House a copy of that reply?

(c) Is it a fact that a communication was sent on behalf of the Government of Bengal as well, on this subject to the Honourable Member's Department? If so, what was the purport of the said communication, and what reply has been sent thereto?

The Honourable Sir M. Azizul Huque: (a) The estimates were made by adding to local production figures for rail and sea imports and exports from the area, provided by the Provincial Textile Controller, Bombay.

(b) Yes. A copy of the reply sent to the Chambers is placed on the table.

(c) Yes. The purport of the communications received from the Government of Bengal was that the allocation of quota for Bengal on the basis of

10 yards *per capita* of the population was not justified on the figures of consumption. In reply, the Textile Commissioner stated that he had already undertaken to re-examine the position provided he was supplied with accurate and verifiable statistics of the consumption of cloth in each consuming area and he has taken steps accordingly.

Mr. K. O. Neogy: Is that re-examination going to take place very early?

The Honourable Sir M. Azizul Huque: Yes, Sir.

Mr. T. S. Avinashilingam Chettiar: Who should supply him with the information?

The Honourable Sir M. Azizul Huque: The Provincial Governments.

Prof. N. G. Ranga: Is the Honourable Member aware that similar discontent prevails in the Madras Presidency where the estimate *per capita* of cotton cloth is not adequate and is an underestimate?

The Honourable Sir M. Azizul Huque: I am not aware of it but there is inadequacy everywhere and all factors are taken into consideration.

DISCRIMINATION IN FIXING PROVINCIAL TEXTILE QUOTAS

825. ***Mr. K. O. Neogy:** (a) Will the Honourable Member for Industries and Civil Supplies please state if it is a fact that for purposes of allocation of the quota for Bengal, the population of that Province has been taken to be 61 million while the general estimate of the present population of Bengal is 65 million, having regard to the influx of refugees and evacuees from Burma, as well as military, semi-military and auxiliary personnel due to war conditions, including a large number of persons belonging to the other Provinces who now find increased employment in Bengal?

(b) Is it a fact that at one stage of negotiations, the Textile Commissioner, during his visit to Calcutta, verbally informed representatives of Chambers of Commerce that the Government of India had fixed provincial quotas on a uniform basis of 12 yards of cloth per head per year and that no discrimination was going to be made in the matter between Province and Province? If so, what are the reasons for a departure from this proposed flat allocation of provincial quotas?

(c) What action has been taken for the purpose of preventing cotton goods being exported from Bengal to other Provinces, and being smuggled to China over the land route *via* Tibet, and how far have the preventive measures proved a success?

The Honourable Sir M. Azizul Huque: (a) For purposes of allocation of quota the population of Bengal was taken at roughly 61 millions on the basis of 1941 census. Government have no reliable estimates of the present population of that province.

(b) The Textile Commissioner did, when he was in Calcutta in August last, state publicly that Bengal along with the rest of India would be getting 12 yards *per capita*. It was, however, found from statistics collected by the Central and certain Provincial Governments that the *per capita* consumption prior to the war was high in provinces like the Punjab and Bombay while provinces like Madras and Bengal consumed far less. The quotas were, therefore, revised on the basis of the *per capita* consumption prior to the war and thus Bengal was allotted 10 yards per head per annum. Government have, however, undertaken to re-examine the whole question of quotas on receipt of authoritative figures of pre-war consumption from all Provinces and States.

(c) Government have undertaken to see that the pre-determined quotas of cloth are made available month by month to the various deficit zones, such as Bengal. It is for the Provincial and State control authorities to regulate the movement of cloth which has arrived in their zones. It is, therefore, for the Government of Bengal to see that the cloth delivered within the Province is not exported from Bengal to China over the land route *via* Tibet.

Mr. K. O. Neogy: Will the Honourable Member be pleased to state whether in fixing the *per capita* quota, the handloom production in each Province was taken into account?

The Honourable Sir M. Azizul Huque: Yes, Sir.

Mr. N. M. Joshi: In view of the fact that there is a danger of the quota given to a particular Province being unequally distributed between the well-to-do classes and the poorer classes, will the Honourable Member consider the question of introducing rationing in as many areas in the country as he can do it?

The Honourable Sir M. Azizul Huque: I have answered that, that I will bring it to the notice of the Provinces concerned.

Mr. N. M. Joshi: May I ask whether the Government of India will take the initiative in the matter of rationing as they did in the matter of food grains?

The Honourable Sir M. Azizul Huque: Our hands are for the time being so full with looking into between the different Provinces and the States that it is no use my saying I will look into it. I will not be able to look into it, I have not got the staff to do it. I certainly propose to bring this matter to the notice of the provincial authorities.

Mr. K. O. Neogy: With reference to part (c), do I understand my Honourable friend to say that preventive measures are the concern of the Provincial Governments?

The Honourable Sir M. Azizul Huque: We send cloth to the Provinces and the distribution and the conservation within the Provinces is a matter for the Provinces themselves.

Mr. K. O. Neogy: Is there any embargo on the exportation of cotton textiles from Bengal to Tibet?

The Honourable Sir M. Azizul Huque: That is the Provincial Governments' concern.

Mr. K. O. Neogy: I think it is a matter for the Government of India.

The Honourable Sir M. Azizul Huque: Our concern is to take steps that cloth goes to the provinces. If there is to be an embargo, that has to be placed by the Provincial Government concerned from out of its quota. In other words, if I send 20 yards to Bengal it is desirable for Bengal to get 20 yards, but if by some means or other even those 20 yards go out of the province then it is for the province concerned to take steps.

Sir Muhammad Yamin Khan: Is it not the function of the Government of India to see that smuggling should be stopped?

The Honourable Sir M. Azizul Huque: I wish I could do it, but the land frontier of India is a figure which my Honourable friend might study in geography.

Mr. N. M. Joshi: In view of the fact that the Honourable Member's hands are too full, may I know whether he made representations that the several Departments which he is at present controlling and for which he has no staff should be handed over to some other Honourable Member and that he should be left free for doing the work for which he is paid?

The Honourable Sir M. Azizul Huque: My Honourable friend does not know that almost every Department is overburdened.

Mr. N. M. Joshi: May I know whether he made representations to the Secretary of State?

Mr. President (The Honourable Sir Abdur Rahim): Order; order. Next question.

ORDER CONFINING SUPPLY OF GOVERNMENT CONTROLLED CLOTH TO CERTAIN GOVERNMENT SERVANTS IN AJMER.

826. *Mr. Sri Prakasa: Will the Honourable Member for Industries and Civil Supplies please refer to his reply to starred question No. 631 on the 20th November, 1944, and state what action he took in respect of the order of the Chief Commissioner of Ajmer that Government controlled cloth and woolen blankets were to be supplied only to Government servants drawing over Rs. 100 per month and income-tax payers, and what steps, if any, he has taken to prevent the issue of such orders in future?

The Honourable Sir M. Azizul Huque: The order in question has since been withdrawn by the Chief Commissioner, Ajmer-Merwara. In future the sale of woollen cloth will be regulated by permits which will be issued to consumers irrespective of whether they are income-tax payers or Government servants, or not. No question of a recurrence therefore arises.

Mr. Sri Prakasa: Has the Honourable Member found out all the circumstances in which the order was originally passed and has he reprimanded the Chief Commissioner for it?

The Honourable Sir M. Azizul Huque: We have brought the matter to his notice on studying the facts of the case.

Mr. Abdul Qaiyum: In view of the fact that the people excluded had to endure hardships, has anybody been punished for passing such an order?

The Honourable Sir M. Azizul Huque: If I can punish everybody for every offence, I would have been a happy person.

Mr. Abdul Qaiyum: Such orders are causing untold hardship to poorer classes. In my own Province only the very favoured class was getting woollen cloth and the other people had to suffer in cold without any woollen clothing.

The Honourable Sir M. Azizul Huque: We took some steps, but in the administration of the Act, if some order or other is not properly understood at the early stages, then I cannot see how it is a matter in which punishment should be given.

Mr. Abdul Qaiyum: It is a case of deliberate favouritism and not misunderstanding.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

PROCEDURE *RE* MERCY PETITIONS

827. *Mr. Sri Prakasa: Will the Honourable the Leader of the House please state:

(a) the procedure that is followed in the matter of petitions of mercy from prisoners condemned to death; and

(b) at what stage, if any, these petitions reach the Honourable Member and what the exact procedure he adopts is, in disposing them of?

The Honourable Sir Sultan Ahmed: (a) and (b). *Governors' Provinces:* The authority at the Centre empowered to deal with petitions from persons sentenced to death in Governors' Provinces is the Governor-General in his discretion. The Governor-General obtains such advice as he thinks necessary.

Chief Commissioners' Provinces: Petitions from Chief Commissioners' Provinces lie to the Governor General in Council and the Governor General in his discretion. Those meant for the Governor General in Council are disposed of in the ordinary course of business. As regards petitions to the Governor-General in his discretion the position is the same as in respect of Governors' Provinces.

Mr. Lalchand Navalrai: May I know if these applications are disposed of in the Secretariat of the Governor General or by the Law Department?

The Honourable Sir Sultan Ahmed: Governor General Public.

DISCOURAGEMENT AS REGARDS USE OF FINE YARN TO MADRAS HANDLOOM WEAVERS

828. *Prof. N. G. Ranga: Will the Honourable Member for Industries and Civil Supplies be pleased to state:

(a) if it is not a fact that the Textile Commissioner, Madras, has inaugurated a campaign of discouraging handloom weavers from using fine yarn for weaving cloth of higher counts;

(b) if he is not aware of the fact that the weaving of cloths of finer counts gives the largest scope for the display of the special artistic and individual skill and specialisation of handloom weavers;

(c) if this Madras campaign is allowed to go on, whether one of the most important special privileges of the handloom weavers, which have helped the handloom to survive mill competition, will be lost;

(d) if it is not a fact that a very large number of weavers of so many areas have been living on the weaving of specialized types of cloth woven out of fine

yarn and that they have been largely unemployed for many months at a time owing to the failure of Government to supply them with yarn of higher counts; and

(e) whether Government propose to abandon this campaign and to obtain, if necessary, supplies of yarn of finer counts from Bombay, etc., and thus help Madras weavers?

The Honourable Sir M. Azizul Huque: (a) No. There is no campaign to discourage weavers from using fine yarn, but the Textile Commissioner, Madras, is not in a position to provide as much fine yarn as is required, since much of this yarn before the war was imported and this supply is now cut off.

(b) I am aware of this fact.

(c) Every effort to make the maximum amount of fine yarn available to Madras handloom weavers is being made. Prices have been adjusted so as to encourage the mills to produce more finer counts and attempts are being made to import five million lbs. of fine yarn from the United States.

(d) It is a fact that a large number of weavers live on the weaving of specialised cloth from fine yarn. There has been some unemployment owing to shortage of fine yarn, but Government understand that the amount of unemployment has not been great.

(e) Please see my answers to (a) and (c).

Prof. N. G. Ranga: Is it not a fact that a much greater percentage of fine yarn is being allotted to mills to the detriment of handloom weavers?

The Honourable Sir M. Azizul Huque: My Honourable friend totally misunderstands the position. The mills produce yarn and use it for their own purposes and it is only the balance that is sent to the market and they are continuing to do so. We cannot take it away if we have to supply textiles to different Provinces.

Prof. N. G. Ranga: Is it not a fact that there are some spinning mills which concentrate on spinning yarn of finer counts and which can be expected to place their yarn at the disposal of handloom weavers?

The Honourable Sir M. Azizul Huque: My Honourable friend can rest assured that such a simple proposition is quite well known to us.

DISPARITIES IN PRICES OF GROUND NUTS, GROUND NUT KERNEL, ETC.

829. ***Prof. N. G. Ranga:** Will the Honourable Member for Food be pleased to state:

(a) if it is not a fact—

(i) that great disparities prevail in the prices of groundnuts, groundnut kernel and oil and cake in the different markets of the country;

(ii) that such disparities are independent of the differing costs of transport damage of the produce in transit; and

(iii) that such disparities are caused mostly by the un-co-ordinated and non-planned fixation of prices both in the supply and consumption centres; and

(b) whether Government propose to re-examine the whole basis on which such prices are fixed, and margins for various profits of middlemen are allowed, with a view to bring about a smaller inequality in the ranges of prices allowed to be paid to the producers and to be charged to the consumers, after making allowances for transport and such other incidental expenses?

The Honourable Sir Jwala Prasad Srivastava: (a) and (b). I am aware that disparities in the prices of groundnuts and groundnut by-products exist. The Honourable Member will realise that several Departments of Government are interested in the matter, and the whole question of securing improved co-ordination is now being actually examined.

PER HEAD CLOTH QUOTA FOR SIND

830. ***Mr. Lalchand Navalrai:** (a) Will the Honourable Member for Industries and Civil Supplies be pleased to state whether it is a fact that Mr. Patel, Controller of Supplies, Sind Government in a recent speech stated that the Central Government had sanctioned a quota of twelve yards of cloth per head per annum in Sind? If so, on what basis is this fixed?

(b) What is the quota fixed for other Provinces?

(c) Have the climatic conditions been taken into consideration in fixing the quota? If not, why not?

(d) What steps do Government propose to take to increase the quota in Sind? If not, why not?

The Honourable Sir M. Azizul Huque: (a) Government have not seen any version of the speech in question but it is a fact that the quota for Sind has been fixed at 12 yards per head per annum based on the estimated pre-war consumption of that Province.

(b) Honourable Member's attention is invited to my answer to part (b) of Mr. Neogy's question No. 175 asked on 13th February 1945.

(c) Yes.

(d) The whole question of quotas is under consideration.

Mr. Lalchand Navalrai: Is the quota fixed by the Controller of Civil Supplies of the province or by the Textile Commissioner?

The Honourable Sir M. Azizul Huque: I am afraid I shall have to repeat all the answers that I have been giving here during the last six months.

Mr. Lalchand Navalrai: I want to know if it is done by the Controller.

The Honourable Sir M. Azizul Huque: I have said repeatedly that it is done by the Textile Commissioner himself.

REFUSAL OF PERMISSION TO REPUBLICATION OF *WEEKLY AZAD*

831. *Mr. Badri Dutt Pande: Will the Honourable Member for Industries and Civil Supplies be pleased to state, with reference to his letter No. 301-PC (238)144 of the 22nd December, 1944, to the Manager, Azadi Press, Bareilly, the reasons for not granting permission to resume the publication of the *Weekly Azadi*?

The Honourable Sir M. Azizul Huque: Under clause 10(a) of the Paper Control (Economy) Order, 1944, no newspaper or journal can be published which was not being regularly published in the period immediately preceding the 7th November, 1942. No reasons have been advanced which would justify an exception being made in this case.

Sardar Sant Singh: Have any newspapers been allowed to be published after that date?

The Honourable Sir M. Azizul Huque: Yes, some have been.

Sardar Sant Singh: On what grounds have these exceptions been made?

The Honourable Sir M. Azizul Huque: Each case was considered on its own merits.

Sardar Sant Singh: What were the merits which entitled a fresh newspaper to be published?

The Honourable Sir M. Azizul Huque: It is very difficult for me to answer it off-hand, but I have said in this House that this question is considered along with the need and necessity for a new paper in that area. For instance, I can give one illustration which comes before me. Trade Marks and Patents wanted to have a journal of its own and as there was no such thing we had to give it. Again, there might be a specialised trade which had no journal of its own; permission would be given.

Mr. Badri Dutt Pande: Are Government guided in this matter by the opinion of the Provincial Governments?

The Honourable Sir M. Azizul Huque: The opinion of the Provincial Governments is taken into consideration.

Mr. Badri Dutt Pande: Is the Press Advisory Committee also consulted?

The Honourable Sir M. Azizul Huque: That has nothing to do with this matter.

Prof. N. G. Ranga: If the Provincial Government is in favour of starting a newspaper like this, what is the attitude of this Government? Do they use their discretion?

The Honourable Sir M. Azizul Huque: I am not prepared to answer a hypothetical question.

MUSLIM OFFICERS IN OFFICES OF REGIONAL FOOD COMMISSIONER, ETC.

832. *Mr. H. M. Abdullah: (a) Will the Honourable the Food Member please state the total number of Gazetted posts in the offices of the Regional Food Commissioner and Sugar Controller of India, and the number of Muslims therein?

(b) Is it a fact that there is not a single Muslim officer holding the posts of Regional Food Commissioner, Deputy Regional Food Commissioner or of officers dealing with sugar control in India? If so, why?

(c) Were any of these posts advertised, and were any steps taken to recruit suitable Muslims in these posts? If not, why not?

(d) Do Government now propose to appoint suitable Muslims on these posts?

The Honourable Sir Jwala Prasad Srivastava: (a) A statement giving the necessary information is laid on the table.

(b) Yes. One of the posts of Regional Food Commissioner was originally held by a Muslim but the post was later abolished.

A Muslim officer has been selected for the post of Deputy Regional Food Commissioner, Bombay, and he is expected to take up his duties on the 13th March, 1945.

(c) None of the posts of Regional Food Commissioner nor any connected with sugar control was advertised. The posts of Deputy Regional Food Commissioner for the Bombay and North West Regions were, however, advertised. Applications were also invited from the Associated Chambers of Commerce of India and the Federation of Indian Chambers of Commerce and Industry and the Muslim Chamber of Commerce for the posts of Deputy and Assistant Regional Food Commissioners. The claims of every candidate were carefully considered and the best were selected. There were very few Muslim candidates.

(d) I cannot undertake to recruit to these posts on a communal basis, but I will certainly appoint Muslim Officers to any vacancies for which suitable Muslim candidates are forthcoming.

Name	Number of posts.	Number of Muslims
(1) Office of the Regional Food Commissioners.	21	2
(2) Office of the Sugar Controller for India.	8	Nil

Sir Muhammad Yamin Khan: How many Regional Food Commissioners are there in India?

The Honourable Sir Jwala Prasad Srivastava: Five, I think.

Sir Muhammad Yamin Khan: And the Honourable Member says that out of these five there is not even one Muslim?

The Honourable Sir Jwala Prasad Srivastava: There is no Muslim.

Seth Yusoof Abdoola Haroon: Why was not the post of Deputy Regional Commissioner advertised?

The Honourable Sir Jwala Prasad Srivastava: I said it was advertised.

Mr. Manu Subedar: Was the gentleman appointed as Regional Commissioner in Bombay a colliery manager in Calcutta who knew nothing either about food or about Bombay?

The Honourable Sir Jwala Prasad Srivastava: I shall require notice; he was appointed before my time.

Sir Muhammad Yamin Khan: Does the Honourable Member propose to give to this House the qualifications of all these five Regional Food Commissioners and the basis of their selection in preference to others?

The Honourable Sir Jwala Prasad Srivastava: Yes, if my Honourable friend will table a question.

Mr. E. L. C. Gwilt: With reference to the question asked about the Regional Commissioner of Bombay, has he not proved an extremely effective and efficient officer?

The Honourable Sir Jwala Prasad Srivastava: Yes, Sir.

Mr. M. Ghiasuddin: What are the different communities to which these five Regional Commissioners belong?

The Honourable Sir Jwala Prasad Srivastava: I shall require notice of that.

MUSLIM CONTRACTORS IN FOOD DEPARTMENT

833. *Mr. H. M. Abdullah: (a) Will the Honourable the Food Member please state the total number of contractors working in the Food Department and the number of Muslim contractors on the 1st January, 1945?

(b) What is the total value of contracts placed by the Food Department on the 1st January 1945, and the value of contracts placed with Muslim contractors?

(c) Do Government propose to safeguard the interests of Muslim contractors in matters of contracts placed by the Food Department?

The Honourable Sir Jwala Prasad Srivastava: (a) About 500 contractors are on the list of the Food Department. It is not practicable to state how many of them are Muslims because contracting firms have not been classified community-wise. The names of the firms are no guide to the religion of the proprietors and upto date information regarding the partners in particular firms is not maintained.

(b) No contracts were placed on the 1st January, 1945.

(c) In placing contracts no distinction or discrimination is made between Muslim and Non-Muslim firms. Contracts are now being placed, as far as possible, after inviting tenders.

Seth Yusoof Abdoola Haroon: Is it a fact that the names of the contractors and their partners are asked when a contract is given?

The Honourable Sir Jwala Prasad Srivastava: Not always; if the firm is well known it is not necessary. It is only when we do not know the credentials of the firm that we ask them for the names of the partners.

Seth Yusoof Abdoola Haroon: If the firm is well known the names of the partners are also well known to the Department?

The Honourable Sir Jwala Prasad Srivastava: Not necessarily. For example, I do not know who the partners of my Honourable friend's firm are.

Seth Yusoof Abdoola Haroon: I think I did supply the names.

Mr. H. A. Sathar H. Essak Sait: In view of the widespread complaint that Muslims do not get sufficient contracts, will the Honourable Member see that in future Muslim firms and Muslim contractors are at least given sufficient scope to apply for these contracts?

The Honourable Sir Jwala Prasad Srivastava: I wish to assure my Honourable friend that I will personally look into this as I do not want that there should be a complaint among Mussulmans that they have not been fairly treated by the Department.

APPOINTMENT OF OFFICER ON SPECIAL DUTY (ADMINISTRATION) IN FOOD DEPARTMENT

834. *Mr. H. M. Abdullah: (a) Will the Honourable the Food Member please state if an officer on special duty for administration has recently been appointed in the Food Department, and what his duties are?

(b) What are his qualifications and what is his age? Is he a retired person? If so, what was his pay at the time of retirement and what is his present pay?

(c) Was it not possible to appoint a member of the existing staff on the job?

The Honourable Sir Jwala Prasad Srivastava: (a) Yes, since November 1944. His duties are similar to those of an Under Secretary in charge of the Administration Branch of the Food Department. He holds the substantive post of an Assistant Secretary in the Department and is on deputation as Deputy Secretary to the Famine Inquiry Commission. In addition to his duties with the Commission he was appointed as Officer on Special Duty in the Food Department without any extra remuneration to suggest steps to be taken for improving office efficiency generally.

(b) His age is 58, and he is a retired Officer of the Government of India. His present pay as Deputy Secretary in the Famine Inquiry Commission is Rs. 1,800 per month.

(c) The Officer in question was a member of the existing staff in the Food Department prior to his deputation to the Famine Inquiry Commission and he will be reverting to the Department on completion of the Commission's work.

Seth Yusuf Abdoola Haroon: Does he draw any other allowances?

The Honourable Sir Jwala Prasad Srivastava: This salary is inclusive of the pension.

SUPERIOR SECRETARIAT STAFF OF THE FAMINE ENQUIRY COMMISSION

835. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable the Food Member please state whether the Superior Secretariat Staff of the Famine Enquiry Commission consists of a Secretary, a Joint Secretary and a Deputy Secretary? What are the qualifications of the incumbents and what are their duties?

(b) Is it a fact that the post of the Joint Secretary has recently been created? If so, what was the special justification for the creation of this post?

(c) Is it a fact that the Deputy Secretary is not working on the drafting of the Commission's report and is only in charge of general supervision and administration of the staff of the Commission?

(d) What is the number of staff of the Famine Enquiry Commission in the grades of (i) Superintendents, (ii) Assistants, and (iii) Clerks? How many of them are Muslims and how many of them are Hindus specially Bengalis?

The Honourable Sir Jwala Prasad Srivastava: (a) and (c). Yes. The Secretary is an officer of the Indian Civil Service. The Joint Secretary was an Under Secretary in the Department of Commerce, and the Deputy Secretary was an Under Secretary, Department of Food, at the time of their appointment. The Secretary and the Joint Secretary perform the usual Secretariat functions in respect of the work of a Commission. The Deputy Secretary assists the Secretary in controlling the establishment and funds and is specially in charge of making arrangements for the tours of the Commission.

(b) No. This post was created about a month after the assembling of the Commission.

(d) (i) Superintendents—2, (ii) Assistants—22, and (iii) III Division Clerks—12. Total—36.

No Muslim at present. 32 are Hindus, of whom 2 are Bengalees.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: Was there no qualified Muslim available to be appointed in this Department?

The Honourable Sir Jwala Prasad Srivastava: Well, Sir, this is not a department of the Food Department. Most of the appointments have been made by the Commission themselves when they were in Calcutta, and they had to find their staff quickly. They got hold of the best men they could get. It is a purely temporary thing.

Maulvi Muhammad Abdul Ghani: Did the Honourable Member draw the attention of the Commission to observe the communal ratio?

The Honourable Sir Jwala Prasad Srivastava: No, and I do not propose to do so.

Mr. M. Ghiasuddin: Was the recruitment made in a manner that the officer-in-charge went out and caught the first men he could get?

The Honourable Sir Jwala Prasad Srivastava: I was not there to witness it.

(b) WRITTEN ANSWERS

MUSLIM OFFICERS OF CERTAIN GRADES IN FOOD DEPARTMENT

836. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable the Food Member please state the number of officers in the following grades in the Food Department and the number of Muslims in each of these grades:

(i) Secretaries, (ii) Joint Secretaries, (iii) Deputy Secretaries, (iv) Officers on Special Duty, (v) Advisers and Special Officers, (vi) Under Secretaries, and (vii) Assistant Secretaries?

(b) What is the method followed for the recruitment and promotion to the above-mentioned posts, and who are the appointing or promoting authorities? Have ever any steps been taken to appoint suitable Muslims to these posts? If not, why not?

The Honourable Sir Jwala Prasad Srivastava: (a) A statement is laid on the table.

(b) Appointments and promotions to the posts of Under Secretary and above in the Secretariat are made on the recommendations of the Selection Board of the Government of India and with the approval of His Excellency the Governor General. Selection to the post of Assistant Secretary is made by the Secretary with my approval on the recommendation of the Staff Selection Committee of the Department.

The posts of Advisers, Special Officers and Officers on Special Duty, are technical and appointments thereto are made by the Secretary with my approval except in the case of officers on loan from His Majesty's Government for whom the approval of His Excellency the Governor General is required.

The claims of Muslim Officers have always been taken into account.

Serial Number	Post	Statement	Total Number	Muslims
(i)	Secretary		1	Nil
(ii)	Joint Secretary		2	Nil
(iii)	Deputy Secretary		4	Nil
(iv)	Officers on Special Duty		2	Nil
(v)	Advisers and Special Officers		12	1
(vi)	Under Secretaries		4	1
(vii)	Assistant Secretaries		4	Nil

FOOD DEPARTMENT SELECTION COMMITTEE

837. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable the Food Member please state whether there is a Selection Committee in the Food Department? How does it function and which of the officers constitute this Committee? How many of them are Muslims? -

(b) In case there is no Muslim on this Committee, what are the reasons for that? Does the Honourable Member propose to see that a suitable number of Muslim officers is appointed on this Committee?

The Honourable Sir Jwala Prasad Srivastava: (a) Appointments and promotion to certain classes of Gazetted posts in Divisions II and III of the Food Department are referred to a Selection Committee. Their duty is to make recommendations to the Secretary and to the Honourable Member. They pass no final orders. The committee consists of the following Officers:

Chairman: Joint Secretary, D. F. III.

Members: 1. Deputy Secretary (General) D. F. I.

2. Chief Director of Purchase, D. F. III.

Secretary: Assistant Secretary for Divisions I and II.

A senior Officer of the Section concerned in each case is also co-opted as a Member. None of the permanent Members of the Selection Committee is at present a Muslim.

(b) Members of the Committee hold office by virtue of the post which they hold in the Department. It is not proposed to constitute the committee on a communal basis.

MUSLIM ADMINISTRATION OFFICERS IN FOOD DEPARTMENT

838. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Food Member please state the number and rank of the officers in charge of administrations in various Branches of the Food Department? How many of them are Muslims? If none, why have they been excluded from this Branch of work?

The Honourable Sir Jwala Prasad Srivastava: (1) Mr. K. L. Panjabi, I.C.S., Joint Secretary.

(2) Mr. N. T. Mone, I.C.S., Deputy Secretary.

(3) Mr. J. M. Lobo-Prabhu, I.C.S., Deputy Secretary.

(4) Mr. S. R. Maini, P.C.S., Under Secretary.

- (5) Rai Bahadur D. N. Maitra, Officer on Special Duty.
 (6) Mr. N. C. Mukherji, Assistant Secretary.
 (7) Mr. A. E. DaCosta, Assistant Secretary.
 (8) Mr. T. S. Krishnamurthy, Assistant Secretary.
 (9) Mr. S. K. Sen, M.A., Assistant Secretary.

It so happens that none of these officers is a Muslim. There is no question of any one being specially excluded.

APPOINTMENTS AND PROMOTIONS OF MUSLIMS IN FOOD DEPARTMENT

839. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable the Food Member please state the number of appointments made to the Gazetted and non-Gazetted posts in the Food Department, and the number and proportion of Muslims therein?

(b) What is the number of promotions in the Gazetted and non-Gazetted posts and the number and proportion of Muslims therein?

(c) Is it a fact that Muslim representation in the services of the Food Department is below the prescribed percentage? If so, why, and what steps do Government propose to take to bring up the percentage of Muslims to the prescribed extent?

The Honourable Sir Jwala Prasad Srivastava: (a) and (b). A statement is laid on the table of the House.

(c) The claims of the Muslims are kept constantly in view and as is evident from the statement their representation approximates closely to the required standard.

Statement showing number of appointments and promotions in the Gazetted and non-Gazetted staff in the Food Department and the proportion of Muslims therein—since the date the present Honourable Member took over charge

	Number of appointments made since 11th August 1943	Number of Muslims and their percentage	Number of promotions since 11th August 1943	Number of Muslims and their percentage	Remarks
Gazetted	137	36 or 26.2 per cent.	41	40 or 24.3 per cent.	
Non-Gazetted (a)	552 (b)	123 or 22.2 per cent.	134	29 or 21.6 per cent.	

(a) This excludes appointments and promotions to non-gazetted posts in outstation office in regard to which the collection of details will involve time and labour which will not be commensurate with the results.

(b) 35 Muslims refused to accept appointments which were offered to them during this period.

PURCHASES OF WHEAT FOR GOVERNMENT BY MESSRS. OWEN ROBERTS

840. *Mr. Muhammad Hussain Choudhury: (a) Will the Honourable the Food Member please state if it is a fact that Messrs. Owen Roberts were asked by Government to make heavy purchases of wheat in the year 1943? If so, how much of wheat was purchased and of what value?

(b) Is it a fact that large stocks of the purchased wheat, despatched to Delhi were unloaded in the Railway yard and in an open place and a considerable portion of the wheat was damaged by rain? If so, what amount of wheat so damaged was declared unfit for human consumption and consequently destroyed and what was its value? Was this amount written off?

(c) Did Government make enquiries about this damage? If not, why not? Are Government prepared to make enquiries now?

The Honourable Sir Jwala Prasad Srivastava: (a) During 1943 M/s. Owen Roberts & Co. Ltd., Government Grain Purchasing Agents purchased for the Food Department about 4,40,000 tons of wheat of an approximate value of Rs. 12 crores.

(b) The arrivals of wheat at the Delhi Flour Mills in June 1943 were in excess of available storage capacity in the Mills. To avoid detaining railway

wagons, bags containing about 2,700 tons wheat had to be temporarily stocked in the open railway land near the Mills Siding. Out of this quantity, 162 maunds of wheat valued at Rs. 1,766 were damaged by heavy rain and had to be destroyed as unfit for human consumption. This sum was written off.

(c) After careful enquiry, Government were satisfied that in the circumstances this loss was unavoidable and that no individual was to blame.

PURCHASES OF DAL, ETC., FOR GOVERNMENT BY MESSRS. OWEN ROBERTS

841. *Mr. Muhammad Hussain Choudhury: (a) Will the Honourable the Food Member please state if it is a fact that about 5,000 bags of *dal moong* and *urd* purchased by Messrs. Owen Roberts in 1943-44 were found unfit for human consumption and were ordered to be buried?

(b) If so, was this quantity of *dal* purchased on account of Government? If so, under what order and of what date? Did Government before ordering the damaged *dal* to be buried get that examined by some experts and who declared it unfit for human consumption?

(c) Are Government aware that 5,000 bags of *dal* were actually buried? If so, where was it buried, and what were the expenses for digging the pits and getting the *dal* buried?

(d) What was the amount of loss thus incurred by Government? Was an enquiry made by Government? If so, what was the result? If not, why not?

The Honourable Sir Jwala Prasad Srivastava: (a) and (c). The facts are not quite as stated by the Honourable Member. Out of a stock of over 36,000 bags of *moong* and *urd dal* purchased by M/s. Owen Roberts & Co. Ltd., Lahore during the year 1943-44, 1,273 bags were rendered unfit for human consumption through damage by rain and were buried near the Military Grain Depot, Lahore. No expenditure on digging the pits was incurred as Grain Depot labour was employed for the purpose.

(b) Yes this quantity formed part of the stocks at the Military Grain Depot purchased by agents on various dates on behalf of Government. The damaged *dal* was examined by a Military expert, namely, the Assistant Inspector of Food-stuffs, who declared it unfit for human consumption.

(d) The value of the *dal* buried was Rs. 32,838-11-0. Investigation regarding liability for this loss is still proceeding.

COMPENSATION GIVEN TO MESSRS. MODERN INDUSTRIES

842. *Mr. Muhammad Hussain Choudhury: Will the Honourable the Food Member please state if the Food Department has given a compensation to Messrs. Modern Industries of about 1½ lakh? What is this compensation for and who is responsible for this loss to Government?

The Honourable Sir Jwala Prasad Srivastava: Food Department have paid Rs. 1,40,000 in full settlement of the claim of M/s. Modern Industries of Sahibabad on account of alleged improper rejection by the Inspectorate of Food-stuffs (Q. M. G.'s Branch) of dehydrated potatoes manufactured by the firm and alleged breach of contract on part of Government. The responsibility of the officers concerned is under examination.

GHEE SUPPLIED BY GOVERNMENT PURCHASING AGENTS IN MADRAS

843. *Mr. Muhammad Hussain Choudhury: (a) Will the Honourable the Food Member please state if it is a fact that *ghee* supplied by the *Ghee Supply Company*, Government *Ghee* Purchasing Agents in Madras, has been found unfit for consumption by the troops? If so, what is the amount of such *ghee* and what is its value?

(b) Who has paid for this *ghee*, and who will be responsible for the loss—Government or the contractor?

(c) If Government are to be responsible for the loss, why? Has an enquiry been made in the matter? If so, what is the result?

The Honourable Sir Jwala Prasad Srivastava: (a), (b) and (c.) The answer to the first part is in the negative. The rest does not arise. Government have made a provisional payment for quantities received from its agents. Final

payment will be made according to the quantity accepted after processing. The question of loss does not arise.

RISE IN PRICE OF *BASMATI* RICE IN NEW DELHI.

844. *Mr. M. Ananthasayanam Ayyangar: Will the Honourable the Food Member please state:

(a) whether the price of *Basmati* rice charged to 'concession' ration card holders has been raised from about Rs. 15 per maund to Rs. 21 per maund from this week, in New Delhi;

(b) if so, the reasons in full for raising the price of a necessary staple article;

(c) whether the price of *Begmi* has been reduced by only one rupee per maund with effect from the same date; and, if so, the reason therefor;

(d) the amount of profits made on both these varieties of rice, if any, or the loss incurred during the last six months;

(e) whether the staff employed at the time the scheme was started, is still being maintained at the same strength or at a reduced strength and the cost of the same as on the 1st January, 1945;

(f) whether, in view of newspaper reports that large stocks of rice are being held up in the Punjab, he proposes to see his way to reduce the prices of good qualities of rice to all ration card holders to pre-war level or a little above that; and

(g) whether the stocks of *Begmi* rice in New Delhi and Delhi are fairly heavy whether he will take early steps to send the same to places where rice is sorely needed, like places in South India?

The Honourable Sir Jwala Prasad Srivastava: (a) to (d) and (f). Supplies of *Basmati* rice which is consumed by the wealthier classes in Delhi were unequal to the demand. It was decided to sell two qualities and encourage the offtake of *Begmi* rice by the poorer classes by a reduction in price of Rs. 1-3-0 per maund. The prices of rationed grains are so calculated as to ensure no profit and no loss to Government, and are revised from time to time as necessary. The enhanced *Basmati* price balances the reduced *Begmi* price having regard to the relative quantities of each sort available for sale.

(e) The staff originally sanctioned was 1,508. 700 temporarily engaged for writing ration cards were discharged on the introduction of rationing. The present establishment is 824. The cost of staff upto the end of January 1945 has been estimated at Rs. 7,80,000. The figures as on 1st January 1945 are not available.

(g) The stocks of rice in New Delhi and Delhi are no more than what is necessary to maintain the ration. No question of export from Delhi arises.

IMPORT OF MOTOR CARS

845. *Mr. Satya Narayan Sinha: (a) Will the Honourable the Commerce Member please state if there is any truth in the report which has been published in papers that a large number of motor cars are going to be imported into this country in the near future?

(b) If the reply be in the affirmative, will the Honourable Member please inform the House the exact number of cars and the probable date by which they would reach the Indian Port?

The Honourable Sir M. Ajizul Huque: This question relates to the War Transport Department and will be replied by my Honourable colleague the War Transport Member.

THROWING AWAY OF MILK BY MILKMEIN IN BOMBAY

846. *Mr. M. Ananthasayanam Ayyangar: Will the Honourable the Food Member please state:

(a) if his attention has been drawn to the news that in Bombay large quantity of milk was thrown on the ground round about the Secretariat Buildings;

(b) what steps, if any, are proposed to be taken for conserving milk and regulating its supply in that city and elsewhere as a necessary article of food; and

(c) whether Government have evolved a scheme for ensuring proper availability of milk and augmenting its supply in cities and in rural areas as part of the "Grow More Food" campaign?

The Honourable Sir Jwala Prasad Srivastava: (a) Yes.

(b) Several measures have already been taken. Slaughter of milch cattle has been banned. Subsidy is given to export dry cattle to breeding areas. Dry cattle and dairy farms have been established. Export of milk outside Bombay City and suburbs is banned. A scheme is being prepared to take care of cows between lactation periods to prevent slaughter by the owners. Use of milk in ice cream is banned. Use of whole milk or of tinned milk in dry or liquid form or of cream or curd in articles other than tea, coffee, curds, *ghee* and butter is banned for distribution at a public place or for sale. Closure of restaurants and tea shops by 11 P.M. has been made compulsory to save food including milk. Distribution of milk and milk products to more than 49 persons at or in connection with any function has been prohibited.

A scheme prohibiting the use of whole milk by hotels, restaurants and tea shops has been introduced, supplying to them skimmed milk powder under permits, with a view to release whole fresh milk for distribution among priority consumers.

A scheme for distribution of subsidised whole fresh milk to children and to expectant and nursing mothers on ration cards has been introduced.

Elsewhere also many provinces and states have either adopted or propose to adopt some or all of the above measures and including conservation of cattle feeds, abolition of octroi and other taxes on milk, and prohibition of the use of milk for industrial purposes.

(c) The Government of India have appointed officers to assist the Provinces in initiating schemes of milk supply to towns. The Central Government have also promised Provincial Governments financial assistance for approved schemes.

Meanwhile the following are some of the steps taken. The slaughter of pregnant cows and cows in milk has been prohibited particularly all over India. The prices of cattle feeds and concentrates have been controlled in certain Provinces in order to make them available to the owners of milch cattle at reasonable rates. Financial assistance in the form of interest-free loans has been given in one province to co-operative milk societies, and assistance in other forms has been given for the starting of dairies elsewhere.

847*—849* [Cancelled.]

CLOTH SHORTAGE IN BIHAR

850. ***Mr. Ram Narayan Singh:** (a) Is the Honourable Member for Industries and Civil Supplies aware that there is a great shortage of cloth in the Province of Bihar? If so, what step he has taken or proposes to take to meet the situation?

(b) What is the quota of cloth for Bihar?

(c) Has the full quota of cloth in (b) been supplied till the end of the year 1944? If so, why is there the shortage referred to in (a) above, and, if not, why not?

The Honourable Sir M. Azizul Huque: (a) It is true that there is a considerable shortage of cloth in Bihar. Bihar has been allotted a quota of 10 yards per head and in the eight months ending January 1945 Bihar has actually been supplied at the rate of about 8½ yards per head. Attempts are now being made to make up the backlog and *ad hoc* allotments over and above the quota of some 5,000 bales have been given since the New Year. Not all of this, however, has yet been despatched owing to transport difficulties. This 5,000 bales represents slightly over a quarter of the backlog.

(b) The quota is 10 yards per head per annum or approximately 20,200 bales per month,—2,400, mostly handloom, from local production and 17,800 from outside the Province.

(c) Statistics are available from June 1944 only. During the seven months June/December 1944 Bihar had 187 million yards of cloth available for consumption against its requirements of 212 million yards for the same period,

i.e., a shortage of about 12 per cent. This will be reduced to a negligible quantity by the *ad hoc* allotments mentioned in clause (a) above and also by accelerated despatches from January 1945 onwards.

The shortage is due, beyond the general causes making for shortage all over the country such as limited production and increased demand, to difficulties of internal distribution, smuggling over the land border and to extensive hoarding by merchants. Recent raids have revealed very considerable stocks in mofussil centres.

MUSLIM TRAINEES UNDER BEVIN TRAINING SCHEME

851. *Maulvi Muhammad Abdul Ghani: Will the Honourable the Labour Member please state:

(a) the total number of persons sent abroad for training as Technicians under Bevin Training Scheme and the number of Muslim trainees;

(b) the number of persons appointed as Assistant Labour Welfare Officers during 1944 and 1945 together with their academic and technical qualifications, if any, and the salaries allowed to them; and

(c) the number of Assistant Labour Welfare Officers sanctioned in the current Budget and the number of such already appointed and the number of Muslims so appointed?

The Honourable Dr. B. B. Ambedkar: (a) 713, of whom 136 were Muslims.

(b) Two; one is an M.A., M.Litt., specialised in Industrial economics and women labour in India on a pay of Rs. 450 p.m. and the other a B.A., Bar-at-Law on pay of Rs. 400 p.m.

(c) Eight posts of Assistant Labour Welfare Officers were sanctioned in 1942/43, and the sanction has been continued in the current Budget also. Of the eight Assistant Labour Welfare Officers two were Muslims. One of the two recently died.

SELECTIONS FOR HIGHER TRAINING ABROAD IN AGRICULTURE, ETC.

852. *Maulvi Muhammad Abdul Ghani: Will the Secretary for Education, Health and Lands please state:

(a) the number of persons to be sent abroad for higher training in Agriculture and Animal Husbandry, and Scientific Research;

(b) whether quotas of Muslims with requisite qualifications have been fixed, if so, to what extent?

(c) the final date of selection of candidates; and

(d) the approximate date of sailings?

Mr. J. D. Tyson: (a), (c) and (d). The matter is under consideration.

(b) Strict adherence to prescribed communal proportions cannot be guaranteed in respect of each subject but every effort will be made to ensure that all minority communities are adequately represented under the scheme so far as the centrally sponsored students are concerned. The desirability of ensuring that the facilities now being offered are made available to members of minority communities has also been brought to the notice of all Provincial Governments.

HYDARI MISSION

853. *Mr. Satya Narayan Sinha: (a) Will the Honourable the Commerce Member be pleased to state if there is any truth in the rumour about the Hydari Mission's work in England with regard to the import of large number of Motor Cars from England?

(b) Does the Honourable Member propose to inform the House as to the exact work of the Hydari Mission? If not, why not?

The Honourable Sir M. Azizul Huque: (a) The Government of India hope to obtain a limited number of light British cars for the use of essential users sometime during the current year and that the possibility of obtaining some more cars from the United Kingdom or the U.S.A. in 1945 and 1946 is being explored by the Hydari Mission.

(b) I would refer the Honourable Member to the reply given on the 6th of March 1945 to Mr. Manu Subedar's Question No. 717.

SUBSIDIES FOR PRODUCTION OF MILK AND MILK PRODUCTS

854. *Mr. Govind V. Deshmukh: Will the Secretary for Education, Health and Lands please state:

(a) what subsidy, if any, has been given to the agriculturists and non-agriculturists or dairies to increase production of milk and milk products in the last twelve months; and

(b) if the subsidy was given then in what form and to what provinces and how much it was given?

Mr. J. D. Tyson: (a) No such subsidies have been given by the Central Government.

(b) Does not arise.

PARTS OF INDIA EXPERIENCING CLOTH SHORTAGE

855. *Mr. Ram Narayan Singh: Will the Honourable Member for Industries and Civil Supplies be pleased to state the parts of India where there is a shortage of cloth? If so, what steps are being taken to improve the cloth situation in those parts?

The Honourable Sir M. Azizul Huque: Nowhere in India does the supply of cloth completely meet demand. Shortages are worst in the areas most remote from the great producing centres, particularly in Eastern India.

It is not possible to supply all the cloth which is required because our grower imports are no longer available and although production has been increased by some 1,300 million yards per annum the increase is required for Defence needs and exports. Meanwhile, demand has gone up very greatly as the increase in prices and the many military works have put more money into people's pockets.

Production, however, as already stated, has been increased by 1,300 million yards per annum through the efforts of the Industry itself, and through the assistance which Government has given in controlling the prices and distribution of mill stores, dyes, chemicals, coal and machinery and assisting in their procurement. In addition, recently Government has introduced a scheme to ensure that the cloth which is available shall be divided fairly between the different areas of India. Quotas have been allotted for each Province on the basis of a certain yardage per head and all movement of cloth the whole way from the mill to the retailer will now take place under supervision of either the Textile Commissioner or the Provincial or State Government concerned so as to ensure that each area gets the quota intended for it. There is already reason to think that although some of the remoter districts are still not getting their full share each major area is now getting supplies according to its quota. The last case of a Province behind on quota was Bihar and efforts are being made by special allotments to bring it up-to-date.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR INFORMATION AND BROADCASTING DEPARTMENT

The Honourable Sir Sultan Ahmed (Member for Information and Broadcasting): Sir, I move:

12 Noon

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

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

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

There is an amendment.

Mr. Ananga Mohan Dam (Surma Valley *cum* Shillong: Non-Muhammadan): I do not move it.

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): Formerly the Department used to publish administrative reports from which we came to know something about the Department's working, but now no such report is published. Now there is a Committee attached to that Department but no proceedings of that Committee are published. I hope the Honourable Member will see that the proceedings of the Committee and the administrative report of the Department are published and copies are supplied to members.

The Honourable Sir Sultan Ahmed: I should be very pleased to furnish the report to the House.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

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

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

The Honourable Dr. N. B. Khare (Member for Commonwealth Relations): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, eight non-official members to serve on the Standing Committee on Emigration during 1945-46."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, eight non-official members to serve on the Standing Committee on Emigration during 1945-46."

Mr. Abdul Qaiyum (North-West Frontier Province: General): I want to know from the Honourable Member how many meetings of this Committee were held last year and whether any reports of the proceedings of those meetings were published, placed in the library or on the table of this House or circulated to Members.

Mr. Ananga Mohan Dam (Surma Valley *cum* Shillong: Non-Muhammadan): I have an amendment to move. Sir, I move:

"That for the word 'eight' the word 'twelve' be substituted."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for the word 'eight' the word 'twelve' be substituted."

Mr. H. A. Sathar H. Essak Salt (West Coast and Nilgiris: Muhammadan): With reference to this amendment I request the Government to see their way to accept it in view of the fact that the Emigration Department has extra work added to its normal duties in connection with evacuees and that work is expanding and it is becoming more and more difficult. There are many points affecting the evacuees which have to be represented to the Honourable Member and it will be useful since the Honourable Member is not agreeable to have a separate committee for the Evacuees Department that he should agree to have the committee expanded so that this Assembly may be able to send those people who are interested in the evacuee question to represent matters to the Honourable Member. Therefore I support this amendment and request the Government to accept it.

Mr. N. M. Joshi (Nominated Non-Official): I do not like the practice of Honourable Members of the Government of India moving motions for the appointment of a committee without any speech. I would like these Members to treat these occasions as occasions for giving an account of the stewardship of the Department to the Legislature. In any case, Sir,

Mr. President (The Honourable Sir Abdur Rahim): That would not be in order.

Mr. N. M. Joshi: if the Legislature appoints a committee I have no doubt you would consider it to be in order if the Honourable Member gave an account to the Legislature of the work done by the Committee. Sir, I would like.

Mr. President (The Honourable Sir Abdur Rahim): Are not these proceedings confidential?

Mr. N. M. Joshi: When we appoint a committee we do not appoint it on the condition that the proceedings are confidential.

Mr. President (The Honourable Sir Abdur Rahim): But they are.

Mr. N. M. Joshi: It is not said in the Resolution.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will find it in the Notification.

Mr. N. M. Joshi: But on this occasion I would like to ask the Honourable Member one or two questions before I agree to the appointment of a committee. I want to know from the Honourable Member what he has done about giving effect to the desires of this Legislature for imposing economic sanctions on South Africa. If, Sir, the Honourable Member is not giving out anything...

Mr. President (The Honourable Sir Abdur Rahim): That does not arise.

Mr. N. M. Joshi: There is another question. Very recently this House expressed itself against sending a High Commissioner to South Africa. I want to know, Sir, what steps the Honourable Member has taken.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can enquire about that on another occasion. That does not arise now.

Mr. N. M. Joshi: My point is this, Sir. If I have to agree to the appointment of a Committee, I must know that the Department and the Committee are doing any useful work. If the Honourable Member concerned does not satisfy me I am entitled to vote against this motion.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* north Arcot: Non-Muhammadan Rural): As far as I understand the proceedings of these Standing Committees may be confidential but their decisions are not confidential. They are printed and circulated. What many of us want are the decisions of the Committee. In the case of the Standing Finance Committee for Railways the proceedings are circulated. The Standing Finance Committee proceedings are also circulated. The Public Accounts Committee is a statutory committee and its proceedings are also circulated. But as far as the other committees are concerned, I do not think we have received any reports and as far as the Emigration Committee is concerned.

Mr. President (The Honourable Sir Abdur Rahim): I believe under the new arrangement they will be circulated to all the Members.

Mr. T. S. Avinashilingam Chettiar: Till now nothing has been done. What we want is that just as the Honourable Member for Information and Broadcasting has promised, the proceedings of these committees must be circulated.

Point No. 2 is the name of the Committee. Am I to understand from the word "Emigration" that the purview of the Committee will be circumscribed to what is implied by the word? Or will it apply to all matters pertaining to the Department of Commonwealth Relations. I hope this word is an old word that is still used and that it really means that the Committee will consider all the matters which pertain to the Department, such as Indians overseas, evacuees and other matters. I hope my Honourable friend will put all these matters pertaining to his Department before this Committee and will have a report of the committee circulated to the Members of this House.

Sir F. E. James (Madras: European): Sir, there are two points that have been raised, which are of some importance. The first is the title and functions of this Committee. They were laid down by a resolution of the Government of India a good many years ago and I did recently prepare a memorandum for the Honourable Member's predecessor suggesting that the time had come for a revision of the title and functions of this Committee, because it considers a large number of problems that are not strictly related to emigration. As a matter of fact during the evacuation of Burma the Committee held several meetings to discuss the question of the evacuation. Therefore the title of the Committee is at present rather a misnomer. That is the first point and I shall be very glad if the Honourable Member in charge of the Department would consider that suggestion.

The second point is whether the proceedings of the Committee should be confidential or not. On more than one occasion in the past two or three years members of the Committee have been placed in a rather difficult position because of the fact that the proceedings of the meetings have been held to be confidential. Therefore we had not been able to share those proceedings with Honourable Members in the House, who have elected us to this Committee. It is true that the Committee has to consider a number of confidential documents, and it is also true that much of the information placed before the committee, particularly just now, is bound to be of a confidential nature. At

[Sir F. E. James.]

the same time, I think it is due to the House that some record of the proceedings of the Committee, such record as could be made available to the Members of the House, should be made available, because there is no subject upon which Members of the House feel more deeply than our relations with the other members and units of the Commonwealth, and it is that problem that this Committee is dealing with from time to time. I therefore would suggest to the Honourable Member that he should look into this matter also. I personally feel rather strongly that there ought to be some record of our proceedings from time to time, which can be made available to our colleagues in the House.

The Honourable Dr. N. B. Khare: Sir, I myself feel that our attitude with regard to this Committee should be revised. So far as I am aware the Committee's function is rather advisory and the proceedings are confidential. But I assure the House that I would circulate to Honourable Members a short account, barring confidential matters, of what has transpired in the meetings of the Committee and the conclusions arrived at.

I have been asked also as to how many meetings of this Committee were held in the previous year. Subject to correction, I think at least about three or four meetings were held and the meeting on Burma was a very long drawn-out meeting, which was held both at Simla as well as in Delhi spread over a period of about ten days, I mean sitting days. They have considered the whole matter about Burma and given us valuable guidance. Of course the members of the Committee know full well what the proceedings of the Committee were, though the House does not. So far we have not supplied to the Members of the House but I propose to supply hereafter such information as we can, barring, of course, confidential information and also the conclusions arrived at.

I have also been pressed for increasing the number which the Assembly should elect for the Standing Emigration Committee. Although by the return of our Congress friends to the Assembly the elected part of the House has been augmented in effect, I still think that this Committee should consist of 12 members, eight from this House and four from the other, and that should be adequate enough to consider the questions placed before it. I think that these committees should not be made too unwieldy and if the members are increased, I do not think it is likely to add to the value of the Committee. Yet, as this question of emigration is going to assume more and more importance, I would agree to the number to be elected by this House being ten instead of twelve and I hope the Mover of the amendment would be agreeable to this compromise.

Mr. Ananga-Mohan Dam: Sir, I agree.

Mr. President (The Honourable Sir Abdur Rahim): The Question is: "That for the word 'eight' the word 'ten' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): 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 on Emigration during 1945-46."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR CIVIL DEFENCE BRANCH OF DEFENCE DEPARTMENT

Mr. C. M. Trivedi (Secretary, War Department): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five non-official members to serve on the Standing Committee to advise on subjects with which the Civil Defence Branch of the Defence Department is concerned, during the financial year 1945-46."

As the House is aware, this Committee consists of 8 members, 5 from this House and 3 from the other House. During the last year it met twice, once in October 1944, and for the second time in February 1945. On the first occasion four members attended the meeting. The second meeting was graced by

the presence of 2 out of 8 members, but none the less I find that the Committee has done quite a lot of work during these two meetings. Here I have got a brief account of what the Committee has done. I understand that the members of the Committee were supplied with comprehensive notes covering all aspects of Civil Defence including Civil Defence Policy, Air Raid Protection, etc. They also considered in the light of Civil Defence policy the question of reduction of Civil Defence Training Colleges and Schools, Store Depots, Medical Stores, reduction of expenditure on Civil Defence at the Centre and in the Provinces. I further understand that individual members of the Committee raised certain questions in regard to their own provinces. These questions have been taken up with the Provincial Governments concerned, and suitable action has been taken. Fortunately the threat of air raids is receding, and I hope that civil defence may no longer be necessary. Personally I express the hope that this may be the last time on which I shall bring forward a motion like this.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five non-official members to serve on the Standing Committee to advise on subjects with which the Civil Defence Branch of the Defence Department is concerned, during the financial year 1945-46."

Mr. C. P. Lawson (Bengal: European): Sir, from the account that we have heard from the Honourable War Secretary, I am in some doubt as to whether there is any advantage in forming this Standing Committee at all. The Department is clearly a contracting Department rather than an expanding one, and I do not know what advice the Department really requires regarding its contraction. Surely it should be a fairly simple matter to close down a Department which is really not necessary now except in a limited sense in one or two provinces. Amongst the various subjects which come under the consideration of the Defence Department, I can, in fact, think of none which is really of less importance to us than Civil Defence at the moment. There are matters of demobilisation, requisitioning, claims, and so on, which come under the Defence Department, but which receive no attention at all in the matter of Standing Committees, whereas we are asked to appoint a Standing Committee for a Department which we hope will shortly become obsolete. Sir, I would like the Honourable Member to tell us just what useful purpose he expects this Standing Committee to serve. If by any chance he has it in his mind to enlarge the scope of this committee at a later date in order to embrace some subjects which are not strictly Civil Defence, that is another matter, and we might consider it, but I think, Sir, we must know about this before we can vote regarding the appointment of this Standing Committee.

Mr. Sami Vencatachalam Chetty (Madras: Indian Commerce): Mr. President, I beg to dissent from the views expressed by my Honourable friend, Mr. Lawson. His speech seems to me to be a curious device of opposing Government in order to support it. We have been, for the last year and more, asking for a greater scrutiny and examination of the activities of this Department in respect of every detail. In fact last Session a large part of the budget debate centred round how the Defence Department is spending its monies and how its policies are being regulated. All sorts of agreements are being entered into in the United Kingdom in regard to war time expenditure, and there are other questions, and it therefore strikes me as a rather very clever move of Mr. Lawson. I would rather go to the length of asking the Honourable Member who made the motion, if he would assure this House that there will be more frequent meetings of this Committee than of others, that he will enable the Committee to meet every month to act not only as a Pre-audit Committee, but also as a concurring Committee as regards the manner in which large sums of money are being expended. Sir, it is a very optimistic hope that this Department is going to be liquidated or even contracted, having regard to the fact that operations against Japan are perhaps just starting. Not only that, but even with regard to the normal defence of the country we have certainly got to follow quite a different policy from what we have been following before.

[Mr. Sami Venkatchelam Chetty]

the war. Our defences have got to be strengthened as if it were an independent country, although British Government will not yet give independence to us, and it will be necessary to make the country as self-sufficient as possible, so far as defence is concerned in the years to come. Having regard to all these things, I consider that this Committee is more important than many other Committees with which we are now concerned. I would, therefore, request the Honourable Member who made this motion to assure this House that this will not be a formal, conventional Committee, and that he will take this Committee into confidence with regard to every detail that is being looked into by the Department itself. We may assure on our side fullest co-operation so far as the legitimate prosecution of the war is concerned, provided it is not at the expense of the Indian agriculturist or Indian economy.

Sir F. E. James (Madras: European): I think there is some misunderstanding on the part of my friend, Mr. Sami Venkatchelam Chetty, as to the point of view advanced by Mr. Lawson. As to the policy of the Defence Department, we are at some disadvantage in this House because that Department as such does not consider it worth while to be represented in the House. I sympathise with my Honourable friend, Mr. Trivedi, who really represents the offensive spirit of the Government of India, and not its defensive spirit, as it must be very difficult at one and the same time to be both offensive and defensive. My Honourable friend, Mr. Lawson, said that there should be a Committee of the House to advise the Defence Department generally. We are now asked to agree to the appointment of a Committee to advise this Department in a limited sense, a very limited and diminishing sense, namely, Civil Defence. There are other matters dealt with by the Defence Department which are of profound importance, and in which this House properly takes particular interest—Mr. Lawson mentioned the question of demobilisation; that is one matter on which the Defence Department should welcome the advice of the representatives of this House. I hope my Honourable friend, the representative of the War Department, speaking for the Defence Department, will withdraw this motion, and agree to substitute for it at a later date a motion asking this House to elect a Committee to advise the Defence Department as a whole.

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadan Urban): Sir, I may inform this House that a Select Committee was appointed some time ago to go into the question of the departmental committees, and in this Select Committee it has been decided that there would be a committee for the department of Defence, apart from the Defence Council and the Defence Consultative Committee.

Mr. President (The Honourable Sir Abdur Rahim): Has not the report of the Select Committee been circulated?

Sir George Spence (Secretary, Legislative Department): It has.

Dr. P. N. Banerjee: The report was presented to the House but I am afraid it has not yet been circulated; if the report had been circulated, this misunderstanding would not have arisen. I hope the Honourable the Secretary to this department will make this point perfectly clear.

Sir George Spence: May I explain what the position is, because it so happens that I am better acquainted with the particular point raised by Mr. Lawson than my Honourable friend Mr. Trivedi. The position is that certain rules are to be issued in pursuance of the recent report of the Select Committee on Mr. Essak Sait's proposed standing order; the report of the Select Committee had annexed to it a draft of the rules to be issued to give effect to the recommendations of the Select Committee. These rules will actually be published in next Saturday's Gazette. Under these rules it is obligatory on the Defence Department to constitute, at their option, either a standing committee to advise on activities of the Defence Department as a whole, or two committees to cover between them all the subjects handled by the Department. I made it my business to point this out to the Defence Department

and ascertain what their intentions were. Their intentions are to supplement this committee with another committee to advise on subjects handled in the Defence Department other than civil defence, and for the information of the Honourable Mr. Lawson, I may say that the Honourable Member in the Defence Department took the view that though the activities in the civil defence sphere were, as Mr. Lawson said, diminishing, there was none the less enough left to justify a separate committee for one more year, after which the omnibus defence department committee will mop up the whole thing.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): I just want to make it clear to this Honourable House that in conformity with our policy with regard to all war departments not to undertake any responsibility until we have complete control, our Party, the Muslim League Party, will not participate in the election or put up candidates.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five non-official members to serve on the Standing Committee to advise on subjects with which the Civil Defence Branch of the Defence Department is concerned, during the financial year 1945-46."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE FOR RAILWAYS

The Honourable Sir Edward Benthall (Member for Railways and War Transport): Sir, I move:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, eleven members to serve on the Standing Finance Committee for Railways for the year commencing 1st April, 1945."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, eleven members to serve on the Standing Finance Committee for Railways for the year commencing 1st April, 1945."

The motion was adopted.

ELECTION OF MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS

The Honourable Sir Edward Benthall (Member for Railways and War Transport): Sir, I move:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, six non-official members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1945."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, six non-official members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1945."

Mr. N. M. Joshi (Nominated Non-Official): Sir, I want to make one or two remarks on the proceedings of the meetings of the Central Advisory Council for Railways. I feel that this Council is not utilised by the Government of India as much as they ought to. The Indian railways are a very big public concern. It involves expenditure of very large amounts of money—hundreds of crores; and it also involves the convenience of large numbers of people in this country regarding their travelling; and I find that this committee has met during the year only twice. Considering the importance and the number of problems which the Indian railways have to deal with, I feel that this committee is not properly and sufficiently utilised by the Government of India. From the reports I find that in every meeting they considered only one or two questions, and in the whole of the year only five or six questions are discussed; and I am not satisfied that the committee is doing enough work. I also feel that the

[Mr. N. M. Joshi.]

members of this committee should insist that more meetings of the committee should be held by the Honourable Member and also they should suggest questions for discussion, because during the discussion of the Railway Budget we find that we have hundreds of cut motions to be discussed: unfortunately they are not discussed. If they could not be discussed in the Legislative Assembly they could be discussed in the Central Advisory Council. If the Honourable Member does not know what agenda to place before the Central Advisory Council, I shall suggest to him to go over our cut motions and pick out at least a good many of them and discuss those subjects in this Council. Let me tell you this: when the question of the separation of the railway finance from the general finance was discussed many many years ago, one of the reasons why I myself got reconciled to the separation was, in the first place, the Legislature would get six days for the discussion of the Railway Budget. Unfortunately there too the Government is not treating the Legislature fairly. Instead of giving six days, as was recommended by the committee which sat to consider the question of separation, the Government have begun to give us a smaller number of days...

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadan Urban): This year they gave us six days.

Mr. N. M. Joshi: Six days including the presentation of the Budget. In any case if the House is satisfied, I have no objection. Personally I am not satisfied. I maintain my right to differ from the legislature itself.

My second point is this: the second reason why I got reconciled to the fact of separation of railway finance from general finance was that at that time the Government of India agreed to the establishment of this Central Advisory Council. I am a believer in the State management of industry; but at the same time I would like that when the State manages an industry, the State should manage it in consultation with the representatives of the people and I felt that if a properly constituted Central Advisory Council was established for Railways, that Advisory Council will be a committee of this Legislature, sitting for a number of days, examining the hundreds of problems which are involved in the management of the Indian Railways and they will place their report before the Legislature. There is no doubt that a small report has been published, although it has not been placed before the Legislature but I am not satisfied with it. I do not feel that the people of this country as represented in this Legislature can maintain sufficient control over the Railways if only two meetings are held in a year. I say that the number of meetings should be larger. I also feel that the number of subjects to be discussed in the Central Advisory Council should also be larger. The Honourable Member himself should do it, if he feels his responsibility to the people of this country and if he does not do it, I would like the Members of the Legislature who are members of this Committee to insist upon a larger number of meetings being held and to insist upon all the subjects in which they are interested as representatives of the people being discussed in the Advisory Council and if I find that the members of this Committee also do not insist upon having a larger number of meetings and more subjects discussed, then I would like this Legislature to give a mandate to its representatives to insist upon a larger number of meetings being held and also insist upon important questions regarding railway administration being discussed in this Central Advisory Council. Then only those of us who believe in the State management of industries will be satisfied and their purpose will be served. Otherwise State management of industry will be a curse instead of a blessing.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): While I generally support the demand made by my Honourable friend Mr. Joshi that the Central Advisory Council should be consulted in a larger number of issues than at present, I desire to remind the Honourable Member in charge that the very idea of the Central Advisory Council was mooted first of all in the Acworth Committee's report. The constitution of the committee as envisaged in the

Acworth Committee was fundamentally different from the constitution which has been given to it. As a matter of fact, the Advisory Council was not expected to be a committee of the Legislature at all under the Acworth Committee's recommendations, but the Government had certainly their own reasons for departing from the recommendations of that Committee in this matter. Apart from that, I should like my Honourable friend to look up the recommendations of the Acworth Committee report in regard to the functions which they contemplated to be discharged by this committee; and if he goes through that part of the recommendations of the Acworth Committee he will find that the committee's functions as they are now being discharged are not at all comparable to the functions that were contemplated by the Acworth Committee. Apart from the composition, the type of work which the Committee was expected to do was very much different from the type of work that is being placed before the committee; and I would earnestly request my Honourable friend to reconsider the position and try to utilise this committee more often and in regard to a larger variety of matters of public interest than has hitherto been done.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I associate myself with the two speakers about the object and constitution of the advisory committee. I would draw the attention of the Honourable Member not only to the report of the Acworth Committee but also to the discussions in the committee that was appointed to consider the Convention of 1924. The constitution is entirely different from what we contemplated and also the object is different. The discussions have now degenerated into discussions of contracts of food, whether they should be given to one contractor for the whole line or there should be one contractor for a group of railways. It is only trivial things like this which are discussed there. I thought that the Advisory Committee ought to be consulted primarily about fundamental issues such as the condition of lines, State-management of lines and so on. I thought that such important questions should come before this committee. Now, take the Rail-Road competition. I thought that the Advisory Committee was the proper body to go into a question like this, for instance, rail-road co-ordination. They go to the Finance Committee directly and ignore altogether the Advisory Committee on this fundamental issue. There is the important question of rates and fares. All these important questions of policy should be laid before the advisory committee in the first instance and then they should go to the Finance Committee for considering the financial side. I think the constitution and the objects of the Advisory Committee should be changed and they should be brought into line with the idea with which this committee was originally initiated.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): I worked on this Advisory Committee and I would not therefore agree that important questions are not brought before this Committee though I wish that many more important questions would come up. For instance, when there are any stations to be closed, that question comes up. These questions do arise in the advisory committees of the provinces but they are not taken so much notice of as in the Central Advisory Committee. Also the scrapping of some lines, the use of the rails elsewhere, the use of the wagons elsewhere on account of the war and similar questions should also be brought before the advisory committee. Sometimes they do come up but sufficient time is not available for discussion, because these committees are called at the close of the Assembly when everybody is in a hurry to go to his home. I must say that this Committee is very much attended when there is an election of members to the advisory committees. We see all the members coming up at that time and take great interest. I say that more meetings should be called and more time should be given for discussion. I would even go so far as to say that I have always remained on the Provincial Advisory Committee and I say that many questions arise there. These questions do not come up before the Central Advisory Council because they only tell us that this is the policy, but that policy whether it should be changed or not, or whether that policy is a good one or not, such questions do not come up before the Central Advisory Council.

[Mr. Lalchand Navalrai.]

What I mean to say is this, if any such questions arise there, the Railway Department which sends the agenda for the Central Advisory Council do not bring those questions that have been debated there over which there is contest. Such questions, ordinarily in other Committees, are sent by way of propositions or resolutions. I myself sometimes sent some resolutions, but they have not come up before the Central Advisory Council. They are perhaps disposed of in the office or perhaps there was not time enough to bring them up before the Council. Therefore, I would request the Honourable Members to send in their resolutions beforehand and then there will be time enough for calling this Council and there will be enough material to call this Council oftener to consider more questions. I would make another suggestion and it is this. Since questions relating to all railways are considered and advice given by this Central Advisory Council, I suggest that this Council should be a moving one and it should hold its sittings at various places

Sir F. E. James (Madras-European): Have special trains.

Mr. Lalchand Navalrai: The Standing Finance Committee for Railways do go about from place to place and consider matters on the spot in consultation with the different railways concerned. Here, only some officers of the Railway Board attend the meetings of the Central Advisory Council, because it is a stationary body meeting only in Delhi at the fag end of the Assembly Session. I suggest it should go about in the Provinces where there are different systems of railways and decide questions after consulting the railways concerned.

In conclusion, I would once more urge that more attention is really required to be paid over matters to be brought up there. If only one or two matters are brought up there and they are finished, then the members of the Central Advisory Council go home happy in the thought that they have done something useful. But I suggest there should be more sittings, and also more important work and greater volume of work transacted there.

Mr. Hoeseinbhoj A. Lalljee (Bombay Central Division: Muhammadan Rural): Sir, I have only to say a few words. The House is aware that the entire railway system in India now belongs to the State and as such the present position is quite different. Many a time we have been told that the railways are to be treated as commercial concern. My Honourable friend the Member for War Transport will agree that if railways are to be treated as commercial concern and to be worked on commercial lines, then he should have a Board of Directors holding meetings once a month according to the needs of the situation and the whole administration is to be put in their charge. If this Central Advisory Council and other Committees are to be treated like that, because the whole earnings are now public funds, then he should change the whole policy that has been pursued for so many years.

The Honourable Sir Edward Benthall: Sir, I do not think I need deal with Mr. Joshi's point about the number of days which were given for debate. I think the House is now getting as many days for the general debate and for cut motions as ever before in spite of the fact that we are in the midst of war and that there is very great pressure upon Government in the transportation sphere.

As regards the question of the work of this Central Advisory Council, I seem to recall my Honourable friend, Sir Frederick James, commenting two years ago that the Committee took little interest, as my Honourable friend Mr. Lalchand Navalrai says, in anything but elections to Local Advisory Committees that they took little interest in other things and that he therefore recommended that the Committee should be abolished. Well, Sir, opinions seem to have swung round a bit and it is suggested that we should transact more work in the Committee. When that suggestion was made, I went into the position and we have tried since that date to put more work before the Committee. I have discussed a number of subjects, such as passenger congestion and the steps to be taken to deal with it—that has been discussed on two or three occasions—corruption,

the number of classes which should be made available in the post-war period and so on. I do not remember that we have discussed catering contractors lately, but that was a subject of frequent discussion in the past. My Honourable friend suggested that more financial matters should be placed before the Committee, but I would point out that we have the Standing Finance Committee for Railways which covers finance

Mr. N. M. Joshi: I did not say more financial matters.

The Honourable Sir Edward Benthall: My Honourable friend said that there was great expenditure of money which this Committee ought to investigate which I took to mean the same thing. Now, it is suggested that this Committee should have more frequent meetings. Well, Sir, one of the subjects which we have been discussing is the prevention of congestion of passenger traffic. If we are to meet as my Honourable friend suggests at more frequent intervals, it would simply add to the congestion of travel to and from Delhi.

Then, Sir, my Honourable friends Mr. Neogy and Dr. Sir Zia Uddin Ahmad suggested that I should look up the original Acworth Report and see what is recommended there. I will do so, although I think the decision to set up this Central Advisory Council was made after full consideration of that report. Nevertheless, I will look into that again. My Honourable friend Mr. Lalchand Navalrai suggested that the Central Advisory Council should deal with all sorts of questions, such as, closing of a station, removal of, I understood, lights—I do not know what lights he referred to—anyway these are eminently things which should be and must be dealt with on the Local Advisory Committees. We, in the Centre, are not in a position to know what the effect of the abolition of a station would be and that is why the Local Advisory Committees have been established. The corollary to what he suggests that this Committee should sit more or less permanently,—I understand he also wants this Committee to travel all over India presumably in saloons with restaurant cars attached,—the general corollary of that is obviously the abolition of the Local Advisory Committees, but I am not sure however that is entirely what he wishes for. My Honourable friend Mr. Joshi suggested that he was in favour of State management. Then he went on to say that he thought that the whole of the cut motions which were put down on the order paper before the House, should be discussed by this Committee. Well, Sir, if that is to be done, then this Committee would be sitting throughout the year and the Railway Department would not be able to do its work. I suggest that if you have State management, you must allow a little time for the State to get on with the management.

Now, Sir, having dealt with the various points raised by my Honourable friends, I should like to say in conclusion that it is the policy, as has been demonstrated by action in the last year or two, to put more subjects down on the agenda for the Central Advisory Council and to make it a more useful body in the advisory sphere. I will attempt to intensify that policy.

Mr. Lalchand Navalrai: May I know if Members will be allowed to send in their own resolutions for discussion?

The Honourable Sir Edward Benthall: I think on one occasion, if not more, I have thrown the meeting open for general discussion but I do not think anything very useful resulted and with all due respect to the Honourable Member, some of the suggestions which have been sent in for discussion were not really suitable for the Central Advisory Council, but more suitable perhaps for the Local Advisory Committees.

Mr. Lalchand Navalrai: Only those which have to be revised or corrected. Why should they not be sent up?

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, six non-official Members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1945."

The motion was adopted.

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

	Date for nomination	Date for election
1. Standing Committee for the Department of Information and Broadcasting	9th March	13th March.
2. Standing Committee on Emigration	9th March	13th March.
3. Standing Committee for the Civil Defence Branch of the Defence Department	10th March	14th March.
4. Standing Finance Committee for Railways	10th March	14th March.
5. The Central Advisory Council for Railways	10th March	15th March.

The nominations for all the five Committees will be received in the Notice Office up to 12 Noon on the dates mentioned for the purpose. The elections which will be conducted in accordance with the principle of proportional representation by means of the single transferable vote, will be held in the Assistant Secretary's room in the Council House, New Delhi, between the hours of 10-30 A.M. and 1 P.M.

THE MINES MATERNITY BENEFIT (AMENDMENT) BILL

The Honourable Dr. B. R. Ambedkar (Labour Member): Sir, I beg to move for leave to introduce a Bill further to amend the Mines Maternity Benefit Act, 1941.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill further to amend the Mines Maternity Benefit Act, 1941."

The motion was adopted.

The Honourable Dr. B. R. Ambedkar: Sir, I introduce the Bill.

THE INDIAN CENTRAL OILSEEDS COMMITTEE BILL

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands): Sir, I beg to move for leave to introduce a Bill to provide for the creation of a fund to be expended by a Committee specially constituted for the improvement and development of the cultivation and marketing of oilseeds and of the production and marketing of oilseed products.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That leave be granted to introduce a Bill to provide for the creation of a fund to be expended by a Committee specially constituted for the improvement and development of the cultivation and marketing of oilseeds and of the production and marketing of oilseed products."

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadan Urban): Sir, is this Bill the same as was introduced last Session on which a debate took place and a circulation motion was carried?

Mr. J. D. Tyson: No, Sir; that Bill was for rice which is not commonly accounted an oilseed.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That leave be granted to introduce a Bill to provide for the creation of a fund to be expended by a Committee specially constituted for the improvement and development of the cultivation and marketing of oilseeds and of the production and marketing of oilseed products."

The motion was adopted.

Mr. J. D. Tyson: Sir, I introduce the Bill

THE INCOME-TAX AND EXCESS PROFITS TAX (AMENDMENT) BILL.

The Honourable Sir Jeremy Raisman (Finance Member): Sir, I move:

"That the Bill further to amend the Indian Income-tax Act, 1922, and the Excess Profits Tax Act, 1940, be referred to a Select Committee consisting of Mr. Abdul Qayyum, Mr. Sami Vencatachalam Chetty, Mr. Sri Prakasa, Sir Muhammad Yamin Khan, Mr. Muhammad Nauman, Mr. T. T. Krishnamachari, Mr. T. Chapman-Mortimer, Sir Vithal N. Chandavarkar,

Sir Cowasjee Jehangir, Sir John Sheehy and the Mover, with instructions to report by Monday, the 19th March, 1945, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, the provisions of the Bill fall, broadly speaking, into two categories,—those designed to give relief to the taxpayer and those designed to close certain loopholes in the Act and to strengthen the hands of the department. Of the relief provisions I will deal first with the proposal to introduce for the first time into the Indian income-tax system the principle of differentiation for income-tax purposes between incomes that are earned by personal exertion and incomes that are not so earned. The Royal Commission on the United Kingdom Income-tax reported as follows in 1920 on this question:

"We are satisfied that some such discrimination is desirable and just. Although recognition of the principle was a long time in coming, the demand for it is practically as old as the Act itself. We have not had much evidence advanced against the principle of differentiation, and we are convinced that to do away with the advantage which since 1907, has been granted within certain limits to incomes earned by personal exertion would be a distinctly retrograde step and would ignore the deeply rooted conviction which undoubtedly exists in the public mind that there is a real difference in taxable ability between the two classes of income in question."

In this country the question of introducing the principle of differentiation was considered by the Taxation Inquiry Committee of 1924-25. The Committee thought that the application of the idea to Indian conditions was somewhat premature at the time as the amount of unearned income liable to tax was then relatively small. The Income-tax Inquiry Committee of 1936 came to that conclusion also. It is not, however, the case at the present time that the amount of taxable unearned income is relatively small. On the contrary, it does constitute a substantial proportion of the total quantum of taxable income. There is therefore no good reason for postponing any longer the introduction into the Indian system of the principle of differentiation.

The scale of relief proposed is contained in the Finance Bill and is a deduction of 1/10th of earned income subject to a maximum deduction of Rs. 2,000. As there appears to be some misunderstanding as to how the relief will be given, I might give one or two examples. Thus on an earned income of Rs. 10,000 the relief will be 1/10th, or Rs. 1,000, and tax will be payable on Rs. 9,000 at the rate applicable to that figure.

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): What happens to the first free Rs. 1,500? Does that go out of Rs. 9,000?

The Honourable Sir Jeremy Raisman: That continues to be exempt as before.

On an earned income of Rs. 30,000 the deduction will be the maximum, namely, Rs. 2,000, and the tax will be payable on Rs. 28,000. But as the concession does not apply to super-tax, super-tax will be payable on Rs. 5,000, i.e., the excess over Rs. 25,000.

The next relief proposed (clause 3) is a special initial depreciation allowance in respect of new buildings erected and new plant and machinery installed after the 31st day of March 1945. My Honourable friend Sir Cowasjee Jehangir seemed yesterday to be under the impression that that formed part of the annual Finance Bill and not part of the Income-tax Bill which is a more or less permanent measure. The fact is that this change is proposed in section 10 of the Indian Income-tax Act and will remain on the Statute book until it is repealed, if ever. It therefore becomes a permanent feature, until repealed, of the Indian income-tax system, although the concession, of course, once it has been enjoyed in respect of any particular asset, will have been exhausted. As I explained in my Budget Speech, the figures I have in mind in regard to these allowances are 20 per cent. for plant and machinery and 10 per cent. for buildings. These are the rates proposed in the United Kingdom in the speech made by the Chancellor of the Exchequer last year. My information is that those are still the rates proposed in the United Kingdom although I have seen suggestions in the press that some change had taken place in that respect.

The written-down value will not be affected by these deductions. They will not be allowed for excess profits tax as this would involve discrimination in favour of those who were fortunate enough to obtain new plant and machinery.

[Sir Jeremy Raisman.]

earlier than their rivals. I may point out here that in the United Kingdom it is not intended to introduce this concession until the excess profits tax has been repealed, and so they are not faced with this particular problem. But it appeared to me that provided we excluded the operation of excess profits tax from the matter it would be possible to introduce the concession here with immediate effect. It is not the case as has been represented in certain quarters that the effect of that is that excess profits tax is actually charged on the value of this concession.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Will you explain that further?

The Honourable Sir Jeremy Raisman: I think I can explain that at this moment if the Honourable Member wishes; otherwise it would be more suitable to explain it in my reply to the debate. What I propose is to give this concession for income-tax and super-tax purposes, *i.e.*, if you like it may be treated as being set off against the assessment on the standard income. The excess profits tax works in such various and haphazard ways that it would be impossible so to adjust this concession as to produce an equitable result as between different assessees. But if you concentrate on the ordinary assessment to income-tax and super-tax then you see that the value of the concession is the same to all assessees whether or not they pay excess profits tax.

In the year in which these special allowances are given, the usual rates of depreciation will also be allowed—that is to say, that if the normal rate of depreciation is 10 per cent. of a particular asset then in the first year in which the asset has been in operation, the depreciation allowable will be 30 per cent. of the cost of the asset.

I ought however to make it clear that the grant of these allowances will only hasten the writing off of the assets but will not naturally increase the overall allowance because the maximum that can be allowed in respect of any asset is 100 per cent. of its cost. Even so the allowance should, as I said in my Budget Speech, provide encouragement for the early re-equipment of industry.

The next relief is contained in clause 3(b) which provides for the allowance of all expenditure, whether of a revenue or capital nature incurred on scientific research related to the business. Revenue expenditure will be allowed as it is incurred and also sums paid to recognised scientific bodies and institutions. Capital expenditure will be allowed in five consecutive yearly instalments.

There is one other relief provision, namely, clause 9 which, in the case of trusts where the individual shares of the beneficiaries are indeterminate or unknown and where they have no other income, proposes to reduce the rate of tax from the maximum rate to the rate applicable to the total income of the trust. This provision will relieve hardship in cases, for example, of trusts for the maintenance of widows and children where the total income is small.

Coming now to the other category of provisions, I would first mention clause 7, which proposes to delete from section 84 the words "in consequence of definite information which has come into his possession". Clause 13 seeks to make a consequential change in the Excess Profits Tax Act. The Notes on clauses contain an explanation of the reason for this amendment and I need not repeat it. But as opinions have already been expressed to the effect that the amendment will result in harassment of honest assessees, I should like to state that I think such fears are groundless and that the amended section, which will correspond with the United Kingdom law, will afford sufficient protection to the assessee. And any over-zealous officer who tries to proceed without the necessary preliminary discovery will find the appellate authorities taking a poor view of his efforts.

The next provision to which I would refer is clause 8, which seeks to empower the Income-tax Officer to visit premises, make enquiries, call for accounts and stamp them. This clause is somewhat similar to a clause which was adopted by the Select Committee on the 1939 Income-tax Amendment Bill but rejected

by this House. It is six years since that Bill was passed and there has been ample time to judge the extent of the disability under which the Income-tax Department suffers through lack of such powers. The consensus of opinion among those who have to administer the Act is that they are gravely handicapped through inability to visit premises, make enquiries and call for accounts on the spot. I hope therefore that the House will agree to give us those powers which are more than ever necessary now when evasion is more widespread than ever.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): Does this clause apply to business premises or only premises?

Mr. President (The Honourable Sir Abdur Rahim): Let him finish his speech.

The Honourable Sir Jeremy Raisman: I will deal with that later on.

In some of the Provinces no difficulty has been experienced in conferring similar or even more extensive powers on minor officials administering taxes such as sales taxes. Nor does there appear to have been any outcry about harassment in those Provinces such as seems inevitable when any attempt is made to strengthen the hands of the Income-tax Department.

The last provision to which I would refer is clause 5(b), which seeks to close a loophole which the Legislature never intended to leave open. This House has by enacting section 16(3) agreed in certain circumstances to include in an assessee's income, income from assets which he has transferred to his wife or minor child. It could not possibly have been the intention not to include such income when the income only but not the assets was transferred. Recent decisions have however shown that in such a case the income transferred to the wife or child cannot be included in the father or husband's income. The amendment seeks to remedy this defect.

I trust, Sir, I have sufficiently explained what this Bill proposes to do. It is in my opinion a Bill which should be examined by a Select Committee and I hope that the House will accept my motion. Sir, I move:

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Income-tax Act, 1922, and the Excess Profits Tax Act, 1940, be referred to a Select Committee consisting of Mr. Abdul Qaiyum, Mr. Sami Venkatachalam Chetty, Mr. Sri Prakasa, Sir Muhammad Yamin Khan, Mr. Muhammad Nauman, Mr. T. T. Krishnamachari, Mr. T. Chapman-Mortimer, Sir Vithal N. Chandavarkar, Sir Cowasjee Jehangir, Sir John Sheehy and the Mover, with instructions to report by Monday, the 19th March, 1945, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

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. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. Sami Venkatachalam Chetty (Madras: Indian Commerce): Sir, I have heard and known that the good done by a person is forgotten by the beneficiaries and the evil that he sometimes chanced to do is very much remembered. But, I have not heard of a person who deliberately makes an attempt to suppress the good that he might have done and impress upon the general public the evil that he has done and is going to do. I am afraid that my Honourable friend Sir Jeremy Raisman belongs to this later category. We are not unmindful of his attempts to do certain good acts by the Indian public but it passes one's comprehension why at the end of his office, he should deliberately threaten the Indian public with parting kicks: This Bill is a mixture of kisses and kicks.

The Honourable Sir Jeremy Raisman: Love consists of both.

Mr. Sami Venkatachalam Chetty: There are no doubt a few more kisses than kicks in this Bill but the kisses are not of an ardent type. They seem to be more in the nature of evidences for a proper divorce action that may be taken hereafter and the kicks that he has proposed in this Bill are effective and violent. Taking into account the kisses which he had offered, namely, a certain amount of reduction for personal exertions, depreciation for machinery and

[Mr. Sami Vencatachelam (Chetty)]

buildings that may be constructed after the 31st March, 1945, I should think, if it was the intention of the Honourable the Finance Member to give these benefits, that they should be clarified with a greater and more adequate explanation than is found in the definitions given in this Bill and that he would do his best to remove in the Select Committee the misunderstandings that would arise as to the benefits that would accrue from these provisions.

Coming to the latter portion of the Bill which consists of kicks, the Honourable the Finance Member himself has reminded the House how six or seven years ago we rejected a provision to the effect that power should be given to the Income-tax Officers, for access or entry into the premises of any person and to seize and impound the accounts. Invariably it is the custom, whenever a provision is introduced to strengthen the fetters over the general public in India, to quote the example of law in Great Britain. I would desire to ask the Honourable the Finance Member to point out the corresponding provision in the English Act, which enables the officers of the Income-tax Department to have entry at any time into any part of the premises, to seize accounts and to reopen the finally closed assessments. I have just looked into the provisions of the Income-tax Act of Great Britain and I do not find any parallel to these provisions. With regard to the entry itself I came across a famous though old passage defining the impenetrability into a private house of any person by anybody.

"The poorest man may in his cottage defy all the forces of the Crown. It may be frail, its roof may shake, wind may blow through it, the rain may enter (*I would add, the snakes may enter*) but the King of England cannot enter. All his forces dare not cross the threshold of the ruined tenement."

That was the conception of the sanctity of the private house of a man in England. It is persisting up to this day, whatever might have been the vicissitudes through which England might have passed.

Mr. Deputy President (Mr. Akhil Chandra Datta): Whose writing was that?

Mr. Sami Vencatachelam Chetty: That seems to be the saying of Sir Robert Walpole but I cannot immediately trace the author. The name of the book is Prime Ministers of Great Britain by Bingham?

I know, Sir, in dealing with India and other subject countries the law has got to be different. In every act you will see the difference in the application of a particular law to India as against free countries. We are not only paying for the subjection we are undergoing in various other fields but even in the treatment between man and man and between the individual and the governmental authority, there is a deliberate attempt to show that we are inferior beings and that we must be treated accordingly. That is the sting which anybody has got to rebel against. What case have you to ask for this extra power in this legislation to enable you to enter the private premises of any person on the plea that you have got to look into his accounts and frame a law on that conception. After having had the experience of such a kind of provision being rejected by all sides of this House six years ago how dare you to bring a similar provision? Is it because you think that we are divided and that you will be able to carry it through our differences and our divisions? So far as this provision is concerned you may take it that all Parties will combine and resist the attempt to give you any power to enter the premises of an assessee without notice.

Now, Sir, reopening of assessments even on grounds which were taken into consideration at the time of the original assessment seems to me to reveal a mind that suspects its own officers. One officer makes an assessment, Commissioners are there to hear and examine the appeal, and the assessment is closed and then the old officer is succeeded by another man whom it is proposed to invest with authority to reopen the assessment and assess in his own way on those very grounds which had been considered at the time of the original assessment itself. I think it is a well-known principle in the Courts of Justice that if certain points have been taken for consideration at a particular stage in the trial of a suit and disposed of, it will not be possible for

anybody to reopen the question on the very points which have been disposed of originally. There must be some finality in these matters.

Apart from the liberty or license you give to every succeeding officer to reopen an assessment and even to injure the reputation of the person whom he has succeeded, what is the position of the assessee in this matter? Is he always to be in suspense as to what is going to happen to him not only during the period of the assessment concerned, but even after? That is, I think, a provision like the hanging sword of Damocles, to which every decent man ought to object. Sir, if even on these grounds the Honourable the Finance Member does not see his way to modify his views with regard to these two particular objectionable features, I am afraid the future of this Bill is doomed.

Mr. T. T. Krishnamachari: Mr. Deputy President, the Mover of the Bill has set himself the task of offering a gift and at the same time taking away from us certain rights. I only hope that the gift is not contingent on our willing surrender of these rights. I have heard with great attention, which is due to anything that falls from the mouth of my Honourable friend, his explanation of the gift. It has been represented by the industry that while they are appreciative of anything coming in the shape of encouragement or subsidy in regard to setting up new buildings or replacing worn-out plants, they feel that the concessions shown have not been substantial, at any rate not such as to persuade those people who are unwilling to spend money and replace their worn-out plants, to make a change in their attitude. Sir, Government have been subsidising payments made by the industry to their employees during the last four years. The Excess Profits Tax which has benefited the country's exchequer has also benefited the employees, as employers who have been getting subsidies from the Government indirectly, of course, as a consequence of the levy of E. P. T. have increased the remuneration to their employees. No such incentive is provided by the concession that has been given in this Bill. It has been said by people who are in the know, and who represent the industrialists, that this concession, without a similar concession in regard to Excess Profits Tax, is practically of very little value. It may be, Sir, like looking a gift horse in the mouth, but if the intention of Government is to encourage industrialists to replace their plants and erect new buildings, if it is their intention to subsidise these people to some extent as against increased costs both in the erection of buildings and in the matter of replacement of plants this concession does not go far enough. Where is the magic in beginning this concession from the 1st of April 1945? This is a single gift given only in one calendar year. Why should not this concession be extended in regard to replacement of machinery and erection of new buildings during the years 42, 43 and 44 under conditions which probably as compared to what may exist after 1st April 1945, were equally costly and difficult indeed. I do not know if the Honourable the Finance Member has given due weight to the representations which were made by the industry in this matter. I do hope that between now and the conclusion of the Select Committee's meetings, he will be able to consider this matter further and come to a decision as to proposals to make this gift somewhat more valuable and something more solid and that he will place these proposals before the Select Committee.

In regard to the other matter, namely, the differentiation between earned incomes and unearned incomes, we have to congratulate the Honourable the Finance Member for having taken this step. He has explained to us why this step was not taken earlier due, in the main, to the fact that the Taxation Enquiry Committee of 1924 as well as the Income-tax Enquiry Committee of 1936 considered that the time was not opportune to introduce this change in the tax structure. But at the same time, Sir, I would like to urge on the Honourable the Finance Member the fact that the concession would have been a little more generous. In fact if he should copy the system obtaining in his own country, I think he would have been a little more liberal.

The Honourable Sir Jeremy Raisman: It is exactly the same.

Mr. T. T. Krishnamachari: I thought it was 1/5th.

The Honourable Sir Jeremy Raisman: It used to be 1/5th, but not now.

Mr. T. T. Krishnamachari: I am not aware of the amendment. I must however put the blame for my mistake on the records obtainable in the Library of the legislature which appears to be quite out of date. Nevertheless I think the Honourable the Finance Member will do well to consider making this concession a little more generous, and in this connection I would like to say that along with this concession to earned incomes, the Honourable Member should consider the question of raising the limit of exemption in the matter of income-tax assessment. If he had done it along with this differentiation between earned and unearned incomes I think the public and the country would then have probably more to feel grateful to him for, than for anything else he has done all these six years.

I now come to the most contentious portion of this Bill; and I am afraid that my Honourable friend has not really set himself out to take the House into his confidence in asking us to go behind the House's own decisions and to accept the position which it refused to accept six years back. My Honourable friend who spoke before me was fully aware of the position, and I was surprised that he did not make it plain to those who were not in the House at that time. It has been suggested in the notes on clauses that clauses 7 and 13 have found a place here in this amending Bill because of two recent cases which have been decided, in which the Government have lost a large amount of revenue. I would have liked the Honourable Member to have told us what the details of those cases are, what are the principles involved, how it happened that the judges of the High courts felt that the Government should be deprived of their legitimate revenue. If really we are out here in this amending Bill to circumvent every decision of a High Court, I am afraid that that is not the primary or legitimate business of the Legislature. The Legislature makes laws which are reasonable, where the safety of the citizen is adequately safeguarded, and the revenue position of the Government is also equally safeguarded. A balance is struck between these opposing interests; and with the law in that position, if there is one case somewhere in which a decision goes against the department, does that mean that the whole principle must be withdrawn or reversed and there must be a change in the legislation so affected? It is not the first time, within the short time of my experience in this House that we have had Honourable Members on the Treasury Benches coming forward with an amending Bill seeking to circumvent the decision of a High court. I would ask my Honourable friend if the same thing can be done with equal impunity in his own country. After all, if these laws are fundamentally defective, they are laws which were given to us by Britain, if the jurisprudence is defective, it is because it is a copy of British jurisprudence; if the law of evidence is rather defective, it is based on the British law of evidence. It is the gift of Britain to India. But the Honourable Member wants to twist it in such a manner that it will suit his purposes. It has been suggested that in so far as these two sections are concerned, the law in England is different from the law that exists in this country, and we should only be bringing the law in tune with the law in Britain by this amendment. I do not know if my Honourable friend will get up and say that the safety for the citizen in this country is normally even one-tenth as secure as the safety for the citizen in Britain. Will steps be taken to amend the laws of this country to equate it with the position that obtains in Britain?

Along with this comes clause 8 which proposes an addition to section 38, giving power to an income-tax officer to enter premises and to call for and inspect a person's accounts and stamp those accounts after inspection. I see one slight difference between this clause and the clause as it was found in the 1938 Amending Bill. There, as amended by the Select Committee, an income-tax officer may, if so authorised by the Commissioner in writing, enter such premises. Here it says "if so authorised by the Inspecting Assistant Commissioner in writing". Apparently the status of the inspecting assistant commissioner has since been raised during these six years. The question really is one in which I think the House will be very much interested.

Before taking the House back to what happened in 1938, I would like to join issue with my Honourable friend in regard to one particular point which he quoted in support of his contentions. He said the department have experienced difficulties because of the want of this particular provision, *viz.*, the proposed addition to section 38; and he also said that public opinion in this country has really improved as regards fears concerning such matters as are covered by this proposed amendment since 1938. He suggested that the Sales Tax Acts passed in the provinces have an analogous provision. I join issue with him on that matter, because I happened to be a member of a legislature of a province which happened to be the first to pass a Sales Tax Act. I happened to be in the select committee; while the Sales Tax Bill was in progress; it is true that the Provincial Government had suggested the inclusion of a similar clause in the Bill at the time or rather it found place in the Bill as it came before the Select Committee; and it is true that the bureaucracy behind the responsible Government urged that this was a very necessary clause in order to safeguard the revenue position. But the Government being a popular Government could not very well resist the pressure brought to bear by public opinion, and the clause was deleted, I believe, in the Select Committee stage itself. Anyway I will admit that that clause has been restored now in the Madras Sales Tax Act. Probably the Honourable Member has got a recent copy of that enactment from Madras, unless it be that he is basing his view on a similar enactment of another province

Mr. Sami Vencatachalam Chetty: It was published for eliciting public opinion.

Mr. T. T. Krishnamachari: I think it was brought in by a Governor's Act. Section 93 rule prevails in Madras; at any rate the Governor there is an autocrat, equivalent to Hitler, or Mussolini or whosoever one would liken him to.

An Honourable Member: Churchill?

Mr. T. T. Krishnamachari: I do not know if that would be correct, much as we dislike Churchill he is responsible to a House of Commons; and it has happened in Madras that this provision was restored by a Governor's Act. The very idea that a provision in a revenue collecting measure, which has been resisted by the popular representatives, which a popular Government has accepted as being reasonable, is being restored by an autocratic Government is an additional argument why this House should not allow the Honourable the Finance Member to get away with this particular provision. On these two sets of clauses I have something more to say.

I have been watching the position of income-tax revenue of this Government for the last three years; I had the good fortune or misfortune of hearing quite a lot of things that happen in this country; and I am firmly of opinion that this Government is perhaps collecting just 50 per cent. of what is its due; and I do endorse what my Honourable friend Sir Henry Richardson said the other day, that the honest man bears the burden of the evasion of the dishonest ones. I will ask the Honourable Member, is it because that he has not been armed with powers under sections 34 and 38 that the present state of things exist in his department? He has not told us that it was so. He has not told us that the Government have lost a large amount of revenue, something like 50 per cent of its dues merely because we have not armed him with the powers contemplated in section 34 and section 38. The real difficulty is not due to this fact. The well-to-do man, the rich man, the man who has a pull socially, who is in a position to meet commissioners and assistant commissioners, who has access to night places and at parties which he throws in their honour, can get away with anything he wants. I quite concede that the department is unable to take action against these people or put them in a criminal court because the laws of the country do not permit them to do so; and invariably in such cases the department resorts to compounding with these people in regard to their dues, and anything which they compound is always to the benefit of the assessee who has been continually cheating the department. Will the Honourable

[Mr. T. T. Krishnamachari.]

Member say that there is no such thing in his department? I do not say anything about corruption; corruption probably exists in that department like in any other department; but I do say that those who are responsible, those who are occupying responsible positions do make distinctions between the rich and the poor, between the powerful and the powerless; and the powerless have to pay often times without demur, often times cannot go beyond the assistant commissioner; they may go to the tribunal in a few cases, but the powerful people evade taxes and keep the Government away from their legitimate dues for four, five, six, seven, eight and even nine years; and if the Honourable Member would only give us a list of the assessments which are still pending from 1940 and 1941, he would only prove my case. My Honour-

3 P.M. able friend has not suggested that, suppose we arm him with the powers that he wants under section 34 and 38—that he expects to collect at least 50 per cent. of that revenue which the Government have been cheated of. No such suggestion has been made. But while offering a gift, while offering something to the industrialists of this country, while offering something to the middle class man of this country, he brings two proposals one of which has been categorically voted upon and voted down in this House. The other one is a proposal which I see was eliminated from the 1938 Bill by an amendment moved by Sir John Sheehy (Mr. J. F. Sheehy as he then was). You will find it on page 4058 of the Assembly Proceedings dated the 7th December 1938. Sir John Sheehy said:

“Sir, I move :

‘That for part (a) of sub-clause (1) of clause 39 of the Bill, the following be substituted.’”

I do not know why Sir John Sheehy should turn now a somersault and come before us and say ‘I am eating back my own words. Do let me support my Honourable Member to bring forward a Bill with a provision by which I shall be eating back my very words. I do not know what transformation has come upon Sir John Sheehy. In fact, I hope that before we terminate the proceedings today we shall have from the mouth of Sir John Sheehy the reasons why he has made a change.

Sir John Sheehy (Government of India: Nominated Official): Which amendment was that? Will you read out the amendment?

Mr. T. T. Krishnamachari: The amendment was this:

“(a) for the words ‘for any reason’ the words ‘in consequence of information which has come into his possession the Income-tax Officer discovers that’ shall be substituted.”

That is the wording in the report of the Assembly proceedings

Sir John Sheehy: I think the answer is that it was an agreed amendment at the time, because we could not get our way.

Mr. T. T. Krishnamachari: I did not suggest that my Honourable friend moved it *suo motu*. Undoubtedly he was a party to the agreement and I don't suppose he strained his conscience in coming to that agreement. I am sure he would not have done it.

The next question which engages our attention is in regard to what happened in 1938 to a provision analogous to what is found in clause 8. I think it would have been more appropriate from the mouth of my Honourable friend Mr. Sami Vencatachelam Chetty who did move for the deletion of a very similar sub-clause—the only difference being the importation of the words ‘if so authorised by the Inspecting Assistant Commissioner in writing’ instead of the Commissioner in the 1938 Bill. It was opposed by Sir James Grigg and the House decided by 64 votes to 45 that Mr. Sami Vencatachelam Chetty was right and that his amendment should be supported.

Sir, I would like Sir John Sheehy, before he replies or rather he adds to the information of this House, to look into the proceedings and look into those words of Sir James Grigg in regard to section 34 of the Act. He said:

“Sir, perhaps I might say two words in support of this amendment. It was put in because a great many fears were expressed that under the clause, as worded, even after it left the Select Committee, a fishing inquiry without any sort of information whatever was

possible for the Income-tax Officer. That was certainly not the intention of the income-tax administration and we put this in order to make it clear and; indeed, in order to stop the Income-tax Officer from making purely fishing inquiries with no basis at all. I understand, Sir, that it would reassure Honourable Members opposite even more if instead of the vague word 'information' we put in 'definite information'.

I want the House to note that the improvement from 'information' to 'definite information' was a suggestion from Sir James Grigg.

The Honourable Sir Jeremy Ralsman: That shows that we had an open mind but we have had bitter experience.

Mr. T. T. Krishnamachari: My Honourable friend is a great logician. I should like to say something about his great logical faculties. I should like to tell the House how he would be able to put this House clearly in a dilemma. I know my Honourable friend's mind is very agile. If it does not suit him to reply to a query, my Honourable friend sometimes comes forth and says 'Well, there is no common ground between. So, I am not able to answer you'. It might be that on another occasion my Honourable friend would say 'I can convince you but you won't be convinced. So, I will not make an attempt to do so. Now, he says the change is sought to be made because of his bitter experience. He says, 'Having been so generous and so keen to preserve the rights of the assesseees all these years, we now give up that doubtful task and we want to eat back our words and to go back to the position which existed in the Amending Bill of 1938, when it was a Bill and not an Act' because of bitter experience which has now closed what was in 1938 an open mind. It is for the House to judge if he is right.

There is no use of harping on a thing which has been threshed out threadbare, even though in my absence in this House. The fears of the assesseees are always there but at the same time I agree that the other set of facts do exist and I think that they exist because my Honourable friend did not have the time to devote his attention to the problem and my Honourable friend Sir John Sheehy was not able to exercise that amount of determination to twist the tail of those officers who will not do their job and hence the country is poorer and hence it is that there is a black market in this country and hence it is that if you go to Bombay you see money flows in the streets. You have merely to go to Bombay to see how money flows there, how every third man that you see there is a millionaire. How did he make his millions?

Mr. Jamnadas M. Mehta (Bombay Central Division: Non-Muhammadian Rural): Don't be too sure about that.

Mr. T. T. Krishnamachari: The point really is this. There are instances within our knowledge where assesseees, who two or three years ago were in great difficulties and owed large amounts of money to banks, have all now become very rich men. They make big gifts, get titles, are prominent in society and give tea parties which are attended by gubernatorial functionaries. How does all this happen? It might happen because there exists a second set of account books because there exist banks in the backwoods to which funds have been transferred. Would the amendment of Section 34 and Section 38 cover that position? If a merchant in Bombay removes his books to Jaipur, would inspection by the Honourable Member's officers help the position in any way? If the Department has informers and if the Department knows before the books are actually removed, there may be ways and means of getting at them, but more often than not that position does not exist. Some time back in Bombay I was told that if a person goes to a race course and he is lucky to win Rs. 15,000 or Rs. 20,000 on booked bets when he gets paid by cheque on a bank he can easily get that money augmented by another Rs. 10,000 because there are people in Bombay willing to pay a premium of fifty per cent. on the value of a cheque of this type endorsed to them. Money earned in this way by gambling in the race course need not be accounted for in the matter of income-tax. I was told that prizes earned in connection with prize bonds bring offers from people to purchase cheques covering such prizes at figures much higher than the amount of the cheque itself. All this might be hearsay but there is always some truth underlying it. I am sorry my Honourable friend Sir Rāmaswami Mudaliar is not here—I am glad he has

[Mr. T. T. Krishnamachari.]

now come back—I often speak from hearsay, but it happens to be very often to be genuine fact. Of course, opinion expressed in this matter is largely hearsay.

Sir Cowasjee Jehangir: What happens there? Please tell the House.

Mr. T. T. Krishnamachari: I am not here for providing amusement for my Honourable friend, and therefore Mr. Deputy President, I shall proceed. It is not a matter for amusement, it is a matter in which fears are really genuine, even if you put it as merely a matter of personal right of the individual. If today granting the Act is to be amended, and the Government can do it by an ordinance from His Excellency the Viceroy, we would have no more say about it. If they do it, well, it would be circumstanced by one fact that notwithstanding that the ordinance would have application for some time to come until this House or its successor decides what ought to be the period during which the effect of that ordinance would be in force, it would necessarily be temporary. It is nothing new. The Government have amended various Acts passed by this Legislature by means of ordinances, only this House is not allowed to take any notice of it and we have not even been asked about our opinions in the matter. If that is to be the manner by which the change needed is brought about, then we will have no say. But is it right to ask the elected Members of this House to accept a position that it is to be placed permanently on the Statute book even if it be a provision urgently needed at the moment merely because for one reason that the Department is not efficient enough and secondly that there is a temporary circumstance which they want to tide over, and they want to enact these provisions which really impinge on civil liberty permanently?

Sir, before concluding, I would say that I am singularly unconvinced by the arguments put forward by my Honourable friend the Mover that because of the fact that he feels that some Provincial Governments have passed the sales tax measures, that there are analogous provisions in those measures and therefore the provisions should be brought into this tax as well. I would give him a tip, if he wants it. If he looks into the Madras Public Health Act, he will find therein right of entry is provided for officers of the Public Health Department. If you provide for entry in the matter of public health, it does not mean that you should provide for matters in public finance also. The two things are not on all fours. So, citing the fact that there is something which has been done in Provinces, particularly in a Province like mine where autocratic rule is the order of the day, I think, does not give any support to my Honourable friend. On the other hand it detracts from any merit which the Honourable Member's argument in support of this new amendment might have carried with it.

Sir, my position is very difficult because as I said he has brought in a Bill which we have to accept because it is good perhaps, but there is something else in it which we have to resist. I do hope that this House will resist the reintroduction of these two clauses which will cause a lot of hardship to people unless it be that between now and the time when the Select Committee reports, my Honourable friend would have furnished fresh and more convincing reasons to show that we are in the wrong, and that we should therefore accept his proposals.

Dr. G. V. Deshmukh: Sir, I do not want to deal with the very technical and commercial aspects of the Bill, but I want to look at the Bill from the ordinary layman's point of view. Sir, you remember that when I interrupted the Honourable the Finance Member I was asking him for an explanation as to whether 'premises' in clause 8 meant any premises or only business premises.

Mr. Sami Vencatachalam Chetty: It includes water closet as well.

Dr. G. V. Deshmukh: I want to draw the attention of the House to the Statement of Objects and Reasons attached to the Bill. It says under clauses 8 and 10:

"The Income-tax Officer is hampered, especially in these days of high taxation and black markets, by lack of any power to visit business premises and to call for and inspect accounts."

I want to draw the attention of the House to this that it definitely says business premises. Now when we look into clause 8(2) it says:

"The Income-tax Officer may visit the premises of any person"

Now, Sir, from 'business premises' it has come to mere 'premises' in this very paper containing the Bill and the Statement of Objects and Reasons. In other words, the Income-tax officer can go and visit any premises. Sir, those who know the history of this question at the time of the last Income-tax Bill will remember that one of the main reasons for dropping this clause was that the House felt and rightly felt that giving so much power to an Income-tax officer to visit premises and to visit houses in this country between any hours in the day will only give an opportunity for him to harass ignorant women and children in this country. I do not see any reason for changing my opinion now when the same set of conditions prevail even today, if anything in a worse form. However, Sir, even in a beneficial measure like rationing, the experience of the country has been bitter. Whereas popular opinion has been for rationing, the experience of the methods and the manner in which that measure was administered has been very bitter so far as the population is concerned. I do not want to give instances which actually happened in Bombay City. Under the pretext of rationing, I have known Rationing officers going into houses at ten of the clock in the morning and leaving the house at ten of the clock at night. The houses were all of well-to-do people belonging to my constituency and they grumbled to me about it. Actually the Rationing officer went there at ten of the clock in the morning and left at ten in the night. What do you think the Rationing Officer asked the inmates of the house. He asked them to open the iron safe where women's ornaments are kept to see if any grains were hoarded there or not. These are not exceptional experiences of people. Apart from the merits of the measure as to whether you get the amount of money from the tax which you are going to gather and with which I do not interest myself at the present time, I do say that the method and the manner of collecting the tax as suggested by this clause is most objectionable and, therefore, I hope the Honourable the Finance Member will see his way to drop this clause altogether. Sir, I would not be prepared to give this authority even to my own Government, if at any time the Government comes in, I mean the Congress Government, I would not give it this power because it is not right that any administrative official should be empowered with such powers. After all, the people in a country, except in times of emergency, perhaps there may be exceptions, but I say ordinarily, even in times of emergency,—the people in a country are not meant merely to pay taxes and that they have no other rights. They have obligations, I admit, but side by side, they have rights and it is the duty of the authorities concerned to see that when they are exercising their rights of taxing, the rights of the public as well are respected. I hope that the Finance Member will agree, I hope the House will agree to the elimination of this clause *in toto*. I hope the House will never accept it. If that is not possible—and I do not see why it should not be possible—it will have to be restricted only to business premises. The Income-tax officer should not be allowed to visit private houses or premises and ask to see the accounts. That is not right from the point of view of the dignity and respect of the Indian nation as a whole. There is such a thing as the sanctity of private residences and homes and the authorities should not trample on that.

My second point with regard to this Bill is this. I do not know what their idea of research was when they drafted this Bill. I find they talk in large terms but display a narrow mind. What is it that they are giving the relief in respect of research for? They have mentioned research conducted in that particular business. If the textile industry tomorrow wanted to spend on medical research or research which help in the improvement of human society in general, like the Rockefeller donations or some such thing, then naturally, so far as I can read it, they will not get any relief with regard to this kind of research.

The Honourable Sir Jeremy Raisman: Under the existing Income-tax Act bequests of an educational or charitable nature may qualify for exemption.

Dr. G. V. Deshmukh: If the Honourable Member will accept my suggestion under any other name I have not the least objection. But what we find is that when an Act is passed the aims and objects of the framers of the law are not taken into account by the judges who decide these cases and they follow the strict letter of the law, however absurd it may be. In the circumstances and with the experience that we have it is our duty to see that if a measure is liable to be misinterpreted and to lead to unnecessary harassment, it is better that the measure should be eliminated and dropped altogether than put on the Statute book in an ambiguous form. That is why I have suggested the elimination of clause 8 altogether. Similarly, with regard to this research also I suggest that one kind of research is not useful only for that particular line, in which case it does not deserve to be called research. Indeed, if you look to the history of the industrial prosperity of the western nations you will find that research is not worked in particular industries. It is true that with capitalism whatever research was made in any line was used by the capitalists for the prosperity of that particular branch. All the same it does not mean that you should restrict whatever relief you are going to give to any particular kind of research. And if your industries and taxpayers have made a lot of money, I for one would be very happy if a good deal of the money should be diverted into channels of research which will be of use not only to one particular nation but to all the nations. Therefore if the Finance Member can see his way to give relief in a general way for general research, it will be much more advantageous for my country. I happen to be a member of the Bombay University. I have represented the University in different capacities and I can tell you that the growing need of the country, before the war, during the war and after the war is research,—medical and industrial research, chemical research and research in every form. There is no university which can do any research. In particular, the Bombay University is crying for funds for research, and I know of no rich university which can afford any money for research, even in human fields. Therefore if the Finance Member can stretch and extend this so that the money given to research will be a regular relief from taxation it will be not only good for the taxpayer who can afford to pay but he will be doing something good for the whole country and eventually for the whole of humanity.

Beyond these particular points, as I said, I do not want to go into the technicalities of this Bill because there are many others who are perhaps more competent to deal with the slab system and all that. But I must say again that this clause 8 is a very dangerous provision, and instead of putting very much into the coffers of Government by way of taxation will add very greatly to the harassment of the public. I therefore urge on the House and on those of my colleagues who will go into the Select Committee to see that this clause is completely dropped and that no power is given to any official to visit any premises. If such unlimited powers are given, there will be no distinction between this Government and tyranny.

Mr. Hooseinbhoj A. Lalljee (Bombay Central Division: Muhammadan Rural): Sir, I have not much to say generally on the Bill at present. I find that the Finance Member has succeeded directly or indirectly in getting the most powerful elements in this House to agree to serve on the Select Committee. I am sure he has made sure that these gentlemen are willing to serve on the Select Committee. Therefore so far as we on this side are concerned, we may take it that the Bill is going into Select Committee unless the Leaders of these Parties are still open-minded in this matter.

Sir, I will make an appeal to these Leaders with reference to clause 8 which refers not only to income-tax but attempts to take away the liberties of the people and interferes with their individual privacy. The Finance Member after having some rights vested in the police in several Acts wants also the rights to enter into any premises at any time, even private premises where there may be purdah women or where there are small places set aside for prayers, as in most Hindu and Muslim houses, where strangers cannot be allowed. If the Finance Member after having been in this country for 30

years does not realise that, I am sorry for him. This kind of thing makes us think that no consideration is given when an I.C.S. wants to attain his objective. Does the Honourable the Finance Member admit the charges that my friend Sir Henry Richardson and other gentlemen have levied that his Income-tax Department is corrupt because they have insinuated that he is losing large revenues? Every year the Honourable the Finance Member in his budget speech refers to the good work of his staff who he says has worked honestly and sincerely. Even the Home Member when he visits districts to attend police prize distributions speaks of the police force which is the only force which is honourable and honest and so on. Many a time the Opposition try to show that in the interests of the masses they are most anxious to get out from the rich every pie they can. True, we must appeal to the masses but let them come forward and tell the masses that their Houses will now be searched and then I will see the results. We fought the Government and all the multi-millionaires. We sent the police after them. Since 1938 I have been pained to watch the attitude of the Opposition but thank God that within the last five years they have realized the situation and have watched the liberties of the people trampled upon.

Sir, I should have thought that a man like the Honourable the Finance Member, who is supposed to be a great financier, should have understood the meaning of credit. He has brought more than half a dozen Bills into this House so that no attempts should be made by a shareholder or anyone against a bank or a corporation as that would affect his credit. They are protecting the banks lest the shareholders or somebody should make insinuation against the working of the bank in a manner that would take away the credit of the bank. We now find in the Secretariat offices, North and South Blocks, that clerks have been taken to watch the entrance of anyone to these Blocks. Do the authorities fear that otherwise information might leak out? Go to any Government department and you find the same thing. For the matter of that go to the recently created Food Department, more rightly some say starvation department. Everywhere you find big boards—'Establishment', 'Accounts', 'No Admission'! Isn't it so?

The Honourable Sir Jeremy Raisman. I am making no admission about it!

Mr. Hoosenbhoy A. Lalljee: So far as Indian business men are concerned that is the position. But these things will never trouble my European friends whether they are creditor nation or not. The superiority complex is there and no Indian dare go there: "*Bara sahib ka hukam kaha hai? Chala jao!*" I would like my friend, the Honourable the Finance Member, to try visiting some of the European homes where there are often bull dogs and when he finds specially the board "Not at home" he will soon ask his driver to drive him back. We must protect ourselves and we are not doing that. Don't you realise that you have also a purdah system, but under this new Act anyone will be able to come in. Often Government tells us that we do not want to touch your religious sentiments. But when they want to do something then there is no such thing like religion, there is no sentiment, there is no common sense. I warn the Honourable the Finance Member seriously that if he sends one of his Sub-Inspectors to the house of a Mussalman he will see that there will be a right royal fight, even if he sends an American military man.

The Honourable Sir Jeremy Raisman: But I may send him to the shop of a Hindu. Why go to houses of Mussalmans?

Mr. Hoosenbhoy A. Lalljee: If you send a Musl'm to a Hindu shop, be prepared for a Hindu-Muslim riot. You may laugh but in 1928 and again in 1931 we had riots and within a space of five months Bombay lost nearly 4,000 people. It was due to improper entry in the *mohallahs*. Can you say what advantage is this to a business man from whom you want to collect this money? Can you, in a big business office, allow your Income-tax officer to get in, ask for books, look into books and put down seals and stamps? What will be the firm's credit? How can the business man carry on his business? It is absolutely impossible. ♦ I do wish that you go and see how business is

[Mr. Hooseinbhoj A. Lalljee.]

being done in Mandvi and Kalbadevi. I do acknowledge that when account books are sent to the Income-tax Office they tell their men that they are confidential. On the one hand you have got these rules, you take pretty good care to see that the assessee's books of accounts are not divulged to anybody but here you want him to make an exhibition. Does it not happen many times out of sheer vindictiveness that one or other officer may enter an office and there ends the whole show. The man is doing lakhs worth of business and there comes the Income-tax Officer and asks for the account books. What happens? A holiday. I mean the business is closed. What else can happen, ultimately the business is closed down. This has often happened. This is not a matter which people who are not in the business realise but this is a fact. Furthermore I fail to see for what reason you are going to put down business people like this God alone knows. It is not, I feel certain, for the purpose of getting more income-tax but it is because you want to give some more power to the Income-tax Officers, for what real objective God alone knows.

The question that is now before us is; are we going to allow under any pretext entry into our houses or business place to any Government officials without permission? That is the first point. And secondly, can our business tolerate an outsider to go into business premises and make an exhibition of force and will it not injure the interests both of the community as businessmen and as private individuals? I say it is high time that we do realise this and unless the Honourable the Finance Member agrees to drop this section we ought not to agree to refer this Bill to the Select Committee.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot; Non-Muhammadan Rural): Certain clauses of the Bill have attracted the notice of many Honourable Members and I should not like to labour long on those clauses. But I would like to refer to some other clauses. I first refer to the question of earned income, which is really a welcome change that is long overdue and now that we have it, it is good. But in that I wish to say an amendment is necessary. If it is earned income it must be earned by the person himself. I find in the definition in clause (c):

"which is chargeable under the head 'Other sources' if it is immediately derived from personal exertion or represents a pension or superannuation or other allowance given to the assessee in respect of his past services or the past services of any deceased person."

If it is given owing to the past services of a deceased person, it would certainly not be an earned income. When I look at the English Act, it is made more specific there and is more acceptable. It says:

"Compensation for loss of office given in respect of the past services of the individual or of the husband or parent of the individual."

That, Sir, is more exact and more acceptable than a general clause saying "the past services of any deceased person".

The second point which I would like to mention about earned income is this. They have fixed Rs. 2,000 and 10 per cent. of income as the upper and lower limits of exemption to be made. My plea is that in the case of lower incomes instead of fixing 10 per cent., a definite sum may be fixed below which it would be unfair to go. In cases of lower incomes 10 per cent. will be too poor a sum. I would suggest that some figure may be arrived at. It should be in figures apart from the percentage.

Now I come to the second question, that is about the additional depreciation allowed for plants and machinery. I have not been able to understand how they have arrived at the date 31st March, 1945. It is certainly not a proper date, because the rise of prices does not commence from the 31st March, 1945. Prices have been much higher in the previous years than they would possibly be in the coming years. There have been times in the past when there have been absolutely no controls and prices had been soaring very high. I have some experience with some of the textile mills in Coimbatore. Where 6000 spindles normally would cost two lakhs, people have to spend six lakhs and for buildings I know that the prices are nearly 300 per cent. The reason that

is given to us is that the figure in England is 20 per cent. May I ask whether the prices in England have really soared up as high as prices in India? As far as I know and it is open to the Finance Member to correct me and give me the figures, prices in England have never gone to such high percentages as in India.

The Honourable Sir Jeremy Raisman: Have not the prices of the products which the mills have sold also gone up proportionately or more than proportionately?

Mr. T. S. Avinashilingam Chettiar: I entirely agree that the prices of the mill products have gone up but you are taking away everything in Excess Profits Tax. Anything above the standard profits, the whole thing is taken away by the Excess Profits Tax.

Mr. N. M. Joshi (Nominated Non-Official): 60 per cent.

Mr. T. S. Avinashilingam Chettiar: Not now. You are in very old times, Mr. Joshi. I agree that they have had a large amount of profit but you are taxing them heavily enough over that profit. When you want to give them a depreciation allowance, give them a proper one and that is all that I plead for.

And then what I suggest is that it will be a small relief if the date is fixed at 31st March, 1944. You may say that the accounts for the previous year have been submitted but the assessments have not been made for the year 1943-44 and this concession may be given from the year beginning with the 1st April 1944 instead of 1945.

Another point which I would like to impress upon the Finance Member is this, viz., the point that was made the other day by a Member of this House, that unless some guarantee is given that this relief will be given for some years the benefit that will accrue to the Income-tax assesses from this provision will be precious little. That will not be an encouragement for people to expand their industries or to order for new plant and machinery etc. So I would suggest to the Honourable Member, though he may not make a provision in the Finance Bill to that effect, to give us a promise forthwith that this provision will be kept for another five years at least. Unless that promise is forthcoming this benefit which he promises to give will have precious little effect.

The third thing that I would like to take up is the matter of contributions to research. It is really a welcome change. We should give credit to the Honourable the Finance Member for the imagination he has shown in treating this expenditure as allowable expenditure. But in this there is something funny. There is one difference between the British Act and the provision made in the present Bill. In the British Act the authority to approve this expenditure is mentioned but the Government of India want to retain this power to approve expenditure. I find in section 31 of the British Finance Act of 1940.

"The authority to approve this expenditure is "the appropriate Research Council or Committee, 'which' means the Committee of the Privy Council for Scientific and Industrial Research, the Medical Research Council established under the Committee of the Privy Council for Medical Research, or the Agricultural Research Council established under the Committee of the Privy Council for Agricultural Research, according as may be appropriate in relation to the activities in question."

They are the acknowledged authorities on the subjects. But what do we find in this Bill? On page 2 under clause (xiii) we find:

"Provided that such association, university, college, or institution, is for the time being approved for the purposes of this clause by the prescribed authority."

Suppose I want to contribute to the Hindu University, the Income-tax Department or Sir Jeremy Raisman may not approve of that expenditure. Suppose, Sir, a rich industrialist wants to donate Rs. 40,000 to the Aligarh University. Unless Sir Jeremy Raisman is also pleased to sanction it, he cannot give this amount. The retention of this power by Government is wrong in principle, because it will depend on the vagaries of the Finance Member whether the amount can be given or not. So, Sir, knowing as we

[Mr. T. S. Avinashilingam Chettiar]

do the predilections of the Government, and knowing, as we know, how most innocent measures of legislation have been used to discriminate between man and man and body and body, we think it is a danger to vest this Government with this power. I find the same thing in clause (g) which says the Central Board of Revenue shall refer the question to the prescribed authority whose decision shall be final. I shall be glad if the Select Committee will go into the matter, and instead of vesting this power in Government, as it is provided in the Bill, or in the Board of Revenue, vest it in a body which is the acknowledged authority on these subject of Research.

I do not want very much to say about what my other friends have already spoken on, but I want to say only this much. I must say that the Honourable the Finance Member will come with the thundering argument that we are not against black markets and black-marketing. I may say we are against black markets and black-marketing. They are successful in this country not only because of the rapacity of merchants, but also because of the corruption, particularly in the lower grades, of Government servants. There have been cases of black marketing which have been brought to the notice of authorities, but where no action has been taken, and for a very good reason, namely, that a share of the black-market money goes to the officers.

Mr. N. M. Joshi: That is a bad reason.

Mr. T. S. Avinashilingam Chettiar: I say that black marketing must be and should be abolished, but the way to abolish it is to remove corruption in the ranks of Government itself. We know if these powers are vested in any of these officers, it is the poorest people that will be ground down, and not the very rich, and certainly not the European class who have in their hands a very large share of the business of the country. Black marketing is not confined to any colour of the skin, it is prevalent in all skins. So, Sir, if these clauses are introduced, they will be the biggest engines of oppression. The Finance Member refers to the provisions of the Sales Tax Acts. Does he know how much grinding down of the poor merchant class is done in the name of the provisions of the said Acts? They have no peace. Money is extracted from them, it may be for National Bonds, it may be for the Defence Loan. When an officer goes and asks a merchant for, say, Rs. 100 for a building for officers clubs or anything else he dare not say no, because tomorrow some *chaprasi* may come to his place to examine his accounts. Sir, black marketing does not come to light because there is corruption in Government servants. The basis of this Government is exploitation, and no officer has a higher ideal than to earn his living. Mahatma Gandhi wrote once that it is unfortunate that the British Government in its existence here for the last 150 years have built up a service who serve for the sake of their service alone. Government service is not national service in this country, and it is unfortunate that under the training they get the officials have no longer Indian outlook. They may be Indians in flesh, blood and skin, but they want to serve their British masters and please them and them alone. The result is the tremendous engine of tyranny this Government has become. So, Sir, I would like the Finance Member to remember this: we want to put down black marketing, but in a way which will not affect any man and yet rid the country of black marketing. While supporting the motion for the Select Committee, we hope the Select Committee will take care that some of these amendments which have been asked for are done.

Sir Cowasjee Jehangir: Only two clauses of this Bill have been discussed in the House at this stage, and both these clauses deal with matters that were discussed eight years ago, and discussed fairly threadbare. They have been brought back for the consideration of the House, the Finance Member says, due to the past experience and the experience gained in the last six years. If the Finance Department have gained experience since the clauses were last considered and since the subject matter of clause 7 at least was introduced into the Bill, the assesses have also gained considerable experience, and I

do not wish to weary the House or the Finance Member with some of the better experiences that the assesseees have had . . .

The Honourable Sir Jeremy Raisman: No change was made in the law, at that time, to the detriment of the assessee.

Sir Cowasjee Jehangir: May I point out that the amendment which my friend Sir John Sheehy moved and to which Mr. Krishnamachari referred is the amendment I am referring to, and the experience gained by us is this, that if that amendment had not been moved, there would have been considerable harassment during the last six years. I can produce evidence of the attempts made to harass the assessee, and the only thing that prevented that harassment was the amendment moved by Sir John Sheehy and accepted by the House and that word put in by Sir James Grigg. Matters cannot be reopened constantly. If you gave powers to your officers to open up the assessments without any rhyme or reason, as you desire now, have you any idea, and has this House any idea of the amount of harassment that the assessee would be subjected to? Now we are told that the law is different in England, and Government would like to bring it into line with England; but I am sure the Honourable the Finance Member realises more than anybody else in this House the difference between the income-tax department in this country and the income-tax department in England. In England the income-tax department is the friend of the assessee. You will find, as Sir John Sheehy knows himself, thousands and thousands of cases of assesseees going to the income-tax department and saying "Kindly fill up the form; we are ready to sign it"; being certain that the officers to whom they go will deal with them fairly and equitably. But here things are different. I will give you a case that was brought to my attention only 4 or 5 days ago, of how much the highest of your authorities know about the law. This was a case that fairly astonished me . . .

Sir John Sheehy: Did you not lose a case yourself?

Sir Cowasjee Jehangir: I would certainly go against the department whenever they really try to fleece. I will now give an instance and let you judge. A week ago, a case was brought to my attention where a man owned some Japanese Government Paper with a fixed return of 4½ or 5 per cent., and some German bonds, and the officer said that he would add the supposed income on that paper on to the income of the assessee and charge him income-tax on it, because he said it was income that had accrued: two enemy countries, two countries that may never pay any interest on those loans and this officer actually demanded income-tax and super-tax on the supposed income from these Japanese and German bonds . . .

Sir John Sheehy: He must not have kept his accounts on the accrual basis?

Sir Cowasjee Jehangir: No; on the cash basis.

The Honourable Sir Jeremy Raisman: That is the whole point.

Sir Cowasjee Jehangir: That has been brought to his attention, but he contends it was something that accrued.

The Honourable Sir Jeremy Raisman: Sounds a good story!

Sir Cowasjee Jehangir: I will show it to you; I will prove it—I have got it here; and I want to draw your attention that officers are taking action of that sort. I do not say it was *mala fide*—most probably it was quite *bona fide*: the officer was quite ignorant; that is why I mentioned the case. The man was completely ignorant; and if his attention would be drawn to it most probably he would withdraw it. But fancy a man who has served your department wanting to charge income-tax and super-tax on the interest on Japanese and German paper. Can you imagine such a thing? It seems to me absolutely crazy; but still the man was serious. The point is this, that the public are against giving powers to such officers, and therefore I have been pleading to have more efficient officers in your department and a larger number. Some of the inefficiency is due to over work, as my honourable friends will admit. You cannot work a man fourteen hours a day and expect him to be efficient. You must give him assistance. If, after making him work fewer hours a day you

[Sir Cowasjee Jehangir.]

still find him inefficient, he ought to be sacked. But you cannot blame a man at the same time making him work and work because this is war time, and expect him to be efficient at the same time. It is not human. You must increase your staff, and it will pay you to do so. It is said that you cannot find the staff. Personally I believe you can.

Now, these two clauses 7 and 8 are supposed to help you to stop evasion. There is evasion in many other ways of which Government ought to be perfectly well aware. There was something mentioned by Mr. Krishnamachari. Indian States are greatly responsible for this evasion and I openly say so. My Honourable friend the Finance Member knows it. It is due to some of our assessee's having accounts in Indian States and in British India that they are able to evade income-tax and super-tax and excess profits tax most successfully, and evade it in crores of rupees; and unless you stop that . . .

Sir John Sheehy: Can we?

Sir Cowasjee Jehangir: You can if you want to. It is not a question of twisting the lion's tail. To say that you cannot do it, while you are losing crores of rupees is something that I cannot understand. It can be done. There are cases where the assessee has an account in an Indian State and has an account in British India in the same bank. He has money earned in the Indian State; he cannot bring it into British India without being subjected to income-tax and super-tax. He borrows in British India against the security of his current account in the Indian State, and he invests this money in British India with impunity, without having paid income-tax or excess profits tax: that is known to the department and they cannot stop it . . .

Dr. G. V. Deshmukh: There is an easy remedy: wipe out the Indian States.

Sir Cowasjee Jehangir: I do not want them wiped out by any means. But this is one of the many ways in which large sums of money are being lost to British India. And who is making up that loss? The other assessee's. The honest assessee is making up the loss, as has been said; but because that state of affairs prevails you cannot go and ask for greater powers of which we are highly suspicious and which might lead to further harassment of the honest man.

I have nothing further to say. We shall have occasion to discuss this matter again, and I do trust that the Bill will be in a more satisfactory form when it comes back to this House.

Mr. Bhulabhai J. Desai (Bombay Northern Divisions; Non-Muhammadan Rural): Sir, having bestowed some labour when the last amending Bill was passed, I feel that it is due to the House that I should say a few words on the amendments which are proposed. I quite agree that fortunately even though the Bill falls into two parts one is not made a condition of the other, and I hope that is not the intention of the Mover of the Bill today. So that, I will deal with them as if the whole thing is before the House and the Honourable the Mover will be content with whatever the House accepts or rejects. I ask him to remain in that mood throughout the time this matter is discussed. Sometimes, it is presented as if you either take it or leave it and I do not read the provisions of this Bill as meaning any such caution, much less a threat.

The Bill does fall into two parts, the ameliorative part and what is called the departmental side demands. The ameliorative part, in so far as it is the first idea introduced into the Indian Legislature of the socialist view of the future State, I entirely welcome, however small it may be.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

•The distinction is made between earned and unearned incomes for the first time and I am very glad that relief is being given to the extent of a small sum of money out of every earned income. Whether the line is properly drawn or whether it might have been a little more or a little less is not necessarily a matter for discussion at this stage, but to the extent to which that particular

relief is to be given I ask the House to consider it—whether or not it should be 10 per cent. of the smaller incomes or it should be a lump sum deduction which is desirable in that behalf. In so far as the matter rests today, I take it that up to 2,000 it would be exempt from tax. The question really arises on amounts above Rs. 2,000. When you go above 2,000, 10 per cent. on, say, 2,500 would be an extremely small sum by way of relief. I, therefore, do plead that when the matter comes before the Committee it would not be merely just 10 per cent. on 2,000 whichever is the lesser but a limit of exemption would be fixed which would be reasonable in that behalf. That, Sir, is the first suggestion I wish to make.

The next is with reference to the opposite of the socialist side—protecting the future capitalist against what has happened today, namely, the increase in the price of materials in order to rehabilitate the industries which have been ground down partly by greed and partly by Government. There have been two opposite reasons which have led to the three shifts. One is the demand of the Government in that the purposes of the war must be fulfilled and the supply must be kept up, and the second is the failure of timely intervention which led in the name of scarcity to the rise in prices but both have been responsible for the wearing out of the machinery which is engaged in industries today. Any responsible State would naturally have to take into account the fact that it requires much more rehabilitation and much quicker rehabilitation than would have been required in the ordinary course of industry. The question therefore really assumes a very concrete form. In the first case, the figure is modest. In the second, it might run into larger figures. But the fact still remains that it is a matter more of concrete application of the principle by reason of the fact that, partly at all events, the machinery had to be overworked in order that the extraordinary demands of the State for the purpose of war work might be met. This provision is going to be part of the Act and therefore there is nothing temporary about this, as far as I can understand, unless the section is repealed. It is going to be part of the Income-tax Act and it is no part of any transitory law whatever. Unless the section is repealed, on the building or the machinery newly erected during the year, deduction would be admissible. Therefore, at all events, I do not fear that there is any danger of the Government withdrawing this at their pleasure, apart from any repeal of the Act itself which will naturally have to be considered by the House. I therefore do not apprehend any such discrimination in so far as this relief, by reason of the higher prices, is concerned.

Of course the question still remains by what standard Government has been prompted in this particular matter. Of course, I am not quite certain as to how the 20 per cent. would work. I can well understand the mere idea of having to relieve the excessive strain on the machinery. That is a proposition and test which I understand. What I do not understand is that up to now, I suppose, very little machinery has come by reason of the many controls under the Defence of India Rules. Very few buildings have been erected and it is only after 1945 that works of any consequence will have to be entertained. For that purpose, therefore, I have no objection to the fixing of that date. A few small factories may have been erected from machinery dismantled out of any other factory but as far as I am aware, my information is naturally much more limited than that of my Honourable friends opposite, during the last three or four years very little machinery of any consequence has come into this country. What has in fact happened is that with the permission of Government certain factories could be dismantled and re-erected elsewhere and even that has been limited, because under the Defence of India Rules even that is a matter which requires permission as a pre-requisite. As to how 20 per cent. is fixed is the only problem as far as I am concerned. On this particular issue, I should like to clear the ground that it will be available after the 31st March, 1945, and until such time as normal conditions return and the House considers that this might cease to be a provision in the Act. It will have to continue long after the normal times emerge and the prices attain a level equal to the pre-war levels. I presume that it is bound to take a few years because the devastated

[Mr. Bhulabhai J. Desai]

world would not be so easily restored as people imagine in their fondness of imagination. Therefore the only problem to my mind is the 20 per cent. and in what manner it will be applied. I hope and trust that the matter will, be considered well in the Select Committee.

The other question which has been raised under the same head refers to the matter of the expenditure on scientific research related to the business. It is now common ground that we have in this country sadly neglected this side of the business activities. There is hardly any factory, even of the largest character that I know of, which has a research institute attached to it and related to the requirements of the particular business on any important scale and it is a matter which must be encouraged. I think it is Dr. Deshmakh who raised the question whether or not any medical research or any research of a large kind would be admissible under this provision. Now, Explanation (iii)(b) says:

"any scientific research of a medical nature which has a special relation to the welfare of workers employed in that business or, as the case may be, businesses of that class."

Therefore, to that extent, it is permissible under the clause itself. But it is incorrect to say that if a particular factory chooses to pay money in the matter of research, it will be entirely exempt from taxation. Looking at section 4, it is not enough that you pay that particular year any income for the purpose of a charitable nature because you see in section 4(3):

"Any income, profits or gains falling within the following classes shall not be included in the total income of the person receiving them.

'Any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes'."

So that the condition of the obligation of that section is that there ought to be a property permanently dedicated for that purpose and it is only the income of that property which is exempt. But if merely in any particular year or for a period of time, it is income earned which is given for charitable purpose, then I am afraid that this section 4 would not cover such an income. Therefore if it is intended that even if the annual income given is exempt, you would have to make a wider provision in this present section. As far as I can see the provision, first there are two conditions attached to it,—first it must be an expenditure on scientific research, secondly the donor must do it for all purposes related to the particular business out of the profits of which the donation is made. As far as I can see, that seems to be the very limited object of this particular exemption. But I am glad to find that that limited object, by an explanation, is made a little wider in so far as scientific research for the well-being of the worker is concerned. These are what I call amelioratory provisions of the Act.

But when you come to the departmental requirements, I am afraid I cannot speak in the same facile and complacent language which was used by the Honourable Mover of this Bill. It is rather amazing to me how section 34 required any amendment at all. The notes on clauses which are given as reasons for the amendment, I put it even to what is called my Honourable friend's logical mind, how the two can be consistent with each other or can even support it. They say that two cases have been decided, one by the Patna High Court and the other by the Bombay High Court. The one case which was decided by the Bombay High Court is that an Income-tax Officer could not re-open an assessment in which he had misconstrued the law. How, for that reason, this particular amendment is required beats me. It is no new condition. I suppose Income-tax officers always made mistakes, they always misconstrued laws, how for the first time in the history of Income-tax, it was found that an Income-tax officer had misconstrued the law, it beats me, at all events, I cannot see any logic between the two.

The Honourable Sir Jeremy Raisman: The position was that in the section as it used to stand it runs: "If for any reason . . .". Previously it was quite possible for the Department to retrieve the effect of a mistake made by the Income-tax officer.

Mr. Bhulabhai J. Desai: My Honourable friend's explanation is none whatever, because at the time when the Act was passed in 1939, at that time the words, were 'if for any reason', . . . ; at that time it could not be beyond the ken of people that those words were altered to the present words as they now stand that an Income-tax Officer may misconstrue the law. It cannot mean that during these six years they came to know for the first time that an Income-tax Officer would be capable of making such small mistakes. Therefore I am afraid I cannot agree to that as being the reason, but the fact remains that they agreed to an amendment. I am glad that my Honourable friend Sir John Sheehy said that as a matter of merit that was an agreed amendment. I think all the merit was on our side. It was an agreed amendment because if the Government did not accept it, we were quite competent to move it on our side and have it passed by the House. But the fact that it was an agreed amendment clearly shows that they saw that power to re-open assessment given to them must be exercised under qualified and definite conditions. It was impressed upon them that you might as well omit the words 'for any reason', I do not know why you want them, you might as well say, "an Income-tax officer might serve notice when he likes". By inserting the words 'for any reason', you do not give any man any protection. The words 'for any reason you may act', I should like to know what protection it gives. You may very well imagine wrongly, that because the word 'reason' is used, that therefore anything is going to be a protection. One must never throw too much dust into one's eyes. At all events, we are able to see through all that. The words "for any reason" mean nothing either. You can simply say that "an Income-tax officer as and when he likes within a period of four years shall issue a notice . . .". Therefore you may omit the words 'for any reason'. At that time we were quite wide awake. Sir John Sheehy and myself had a very long discussion for a whole day and in the end he said "define to me the conditions and I take the responsibility on having the conditions", the result was the words which are there. "In consequence of discovers . . ." Unless there is definite information. I think it would other definite information which has come into his possession the Income-tax officer wise be an instrument of definite harassment. They themselves agreed, "yes, we do not want anything fishy".

But the other ground that is given is the very extraordinary judgment of the Patna High Court; I think if they had any reason, either they should have said so, or said, we have no reasons; but let us not have reasons which are no reasons at all. Now comes the Patna High Court which held that the Income-tax officer could not re-open an assessment in regard to a branch of a business which he had in mind when he made the original assessment. Well Sir, what is wrong with that judgment. It is not due to any information which has come into his possession. If he had the information, and if he did not choose to tax that particular branch, then why should it be taxed, I should like to know. These two judgments are the only reasons given why this change is required. With very great submission, I cannot accept either of them or both of them as any reason. Then, we get back to the rock bottom of the same thing. If we reject "the reasons", then what are we left with. We agree to have something better, something different. It is for the House to decide. I ask the House to say that it is reason,—because any such power given for re-opening of assessment closed during a period of four years, in some cases eight years, I have not the least objection to this, provided it is a case of concealment. Certainly, I agree. Then you have definite information to the contrary. But if you have no information except what is called suspicion, or what is called informer's doubts, with due respect, I submit that position cannot be tolerated. Surely this House must be treated a little better and with greater show of reason than it is sought to be made out in this particular case. The matter was so fully discussed and they could not show anything new except these two judgements which are referred to. With all respect, I cannot believe that as a ground for reopening the matter.

[Mr. Bhulabhai J. Desai.]

That leaves only one other matter in this Bill. There are many other matters into which I do not wish to go, at present. There are some small points and they can very well be discussed in the Select Committee. The next important question is the question of visiting premises. Much has been said about this, and I have no desire to go into it again because I have not got the eloquence of my Honourable friends who have enlarged on the difficulties and dangers and delicacies of the situation, including the closing down of a business. The fact remains that in the Select Committee last time I was one of those who yielded to the other side up to a point. The House considered the matter more fully and there may be many demerits considered in the House from the point of view either of ourselves or outsiders, fortunately it is still the same House. Therefore I am afraid there is very little chance of a review of this particular question. The fact remains that it is done on grounds which are not matters liable to re-examination because I do not think either India or the officials have altered during the last six or seven years.

These are the points which arise and I ask that no part of this Bill should be made a condition of the other. When the Bill returns from the Select Committee, even if the ameliorative part of it were left, I hope it will still be accepted.

The Honourable Sir Jeremy Raisman: Sir, my Honourable friend the Leader of the Opposition has dealt—if I may say so—most skilfully with most of the main features of this Bill, and I do not propose to traverse them in any detail. I would however like to say something by way of explanation of my position in regard to what he chose to call the departmental sections of this Bill. It is perfectly clear that if Government were to bring any kind of departmental clauses before this House, unrelated to a Bill which they had very good reason to think the House will at any rate entertain, they will not only be wasting their time and energy but they will be wasting the time of the House. We must be realists. The facts are that Government is in this position that it could not hope to obtain assistance from this House in the matter of strengthening the hands of the department against evasion unless it were doing so in the course of a measure which would at any rate receive some degree of consideration from this House. It is a deplorable thing and it is particularly deplorable at the present time when, as everybody knows, evasion is going on on a very large scale. Honourable Members have cited different forms of evasion or have alluded to them. None of them has suggested—my Honourable friend Mr. Krishnamachari has not suggested—how we are to catch a man who does a swop in a successful treble, nor what legislation we might bring forward which would be more acceptable to him for that purpose than this. I agree that the amendment we have brought forward will not enable us to deal with that particular form of evasion. But we are in this difficulty that whatever is brought forward with the object of strengthening the administration, we are always told that that is quite a wrong hole we are trying to stop and that of course it will cause everybody the maximum of embarrassment; there are lots of other holes which we should go and stop. That is exactly similar to the experience one has when trying to raise revenue by taxation. One is always told that that is a wrong kind of tax and there are other ways in which to tax people who can afford to pay and this particular tax is a poisonous one. I am very familiar with that experience. In the end we are left in the position that we get no assistance. That is what it amounts to. No matter in what form we bring forward a request that the administration should be strengthened, we are told that that is a wrong form and it is particularly objectionable. I should be very glad if Members who have criticised this Bill and who have at the same time alluded to the large scale evasion that goes on would make some concrete suggestions. I would like them to suggest alternative amendments. I would like if possible—if the procedure of the House allows—to recast the Bill so as to include in it some other and more effective method of dealing with evasion. If Honourable friends in this House

will assure me that they will give their support to something of that kind I shall be very glad to submit to their judgment the question of what alternative methods are likely to advance us more on the road to stopping the evasion which undoubtedly goes on. It is all very well for Honourable Members to refer me to difficulties in the Indian scene, which undoubtedly are greater than those which have to be contended with, for instance, in the United Kingdom in the income-tax administration. It is all very well to refer to loopholes which are entirely beyond my control, at any rate in the capacity in which I stand in this House. That gets us nowhere. Many who are familiar with my activities in the past probably know that I have striven in other fields than those which come before this House to deal with matters of that kind also. I may even be currently engaged in trying to rectify those defects; but I do not remember that on occasions where that type of difficulty came before this House I received any tremendous assistance from Members of this House. I seem to recall that there have been occasions when amendments of the Income-tax Act which did impinge on the Indian States came before this House, and I am not conscious that I received an overwhelming measure of support even in trying to stop up loopholes of that kind. On the contrary it seems to me that no matter in what direction one addresses oneself in order to try and secure assistance, one is met with a purely negative attitude. In these circumstances Government is bound—after all it is Government's duty if income-tax is to remain a feature of the administration of this country—not only to itself but to the honest taxpayer to endeavour to secure that evasion is reduced to the minimum.

Now it surely is a familiar experience of every one in this House to hear of that common method of evasion which consists in the maintenance of more sets of books than one. That is the main object of one of these clauses and I cannot think of any more simple or direct manner of dealing with that very serious evil than by taking power occasionally to enter premises. I admit that they ought to have been business premises. A good deal of capital has been made of that and a lot of time has been wasted. But I do not see what objection should be entertained to our taking power to enter premises, look at books and at least stamp them. That at least means that when at the end of the year that assessee, who is presumably suspected, comes to produce his accounts, he must produce that same set of accounts that he was using on that particular day. Honourable Members tell me that all this will do nothing to prevent evasion. May I understand why that will fail altogether to prevent evasion? Will it not make it a good deal more difficult for the gentry who do keep multiple sets of accounts? If their shop is liable to be entered on any day and the books which they are using in the course of that day's transaction can be so marked that they must be produced at the end of the year, is that an utterly negligible and useless provision to make in the law? I find that in countries other than this, in other Dominions for instance, a provision of that kind has existed in the law for quite a long time. I will take the Australian Income-tax Act. There we find that the Commissioner or any officer authorised by him in that behalf shall at all times have full and free access to all buildings, places, books, documents and other papers for any of the purposes of this Act and for that purpose may make extracts from or copies from any such books, documents or papers.

There are, I believe, similar provisions in the Canadian Act. I am met with the objection that the departments in other countries may be more benign than the Income-tax Department here. But we also have the difficulty that if there is a climate of income-tax administration there is also a climate of business in relation to the income-tax administration—the climate of the income-tax payer.

Mr. T. T. Krishnamachari: They are equally dishonest in Australia as in India!

The Honourable Sir Jeremy Raisman: I do not believe that dishonesty is the monopoly of any one country in the world. But whether it exists anywhere else or not, it certainly exists in this country also.

[Sir Jeremy Raisman.] :

I am very diffident of crossing swords with so adroit and able a lawyer as my Honourable friend, the Leader of the Opposition on the question of section 34 of the Income-tax Act. Nevertheless I would like to explain once again that we consider that we have a very good reason for coming forward with this amendment at this time.

I regret that I was not one of the protagonists at the time, some seven years ago, when this amendment was being enacted, because it would have been, as it were, a historic re-association of Mr. Bhulabhai Desai and myself. Sir John Sheehy was certainly one of the actors at that time. This is a kind of historic link. I was behind the scenes and I was not particularly engaged with this part of the Finance Bill's activities at the time.

Mr. Bhulabhai J. Desai: Mr. Chambers was there.

The Honourable Sir Jeremy Raisman: My position at that time was that I was Finance Member designate but that still was not made public at that time.

As I understand it, the position is that at that time Sir James Grigg and the officers who were assisting him came to the conclusion that the omission of the words which were then omitted with the substitution of the words which are now found in the Act would put the position on all fours with what it was in the United Kingdom law.

Mr. Bhulabhai J. Desai: That is not correct.

The Honourable Sir Jeremy Raisman: That is my understanding of the position. There are certain rulings in the English law about the term "discovers"—and this of course is second hand information as far as I am concerned, because I said I did not participate. But I understand the position to be that when my Honourable friend suggested that the phrase should be "in consequence of any definite information which has come into possession discovers" that the department and my distinguished predecessor were fully of the opinion that that left them no worse off than they would be, for instance, under the English Act, because after all we do not pretend here to be initiators and originators of income-tax legislation. In regard to a matter of that kind we generally accept as our paradigm or model the provisions of the English law. We now have discovered that we are in fact a good deal worse off . . .

Mr. Bhulabhai J. Desai: On definite information!

The Honourable Sir Jeremy Raisman: . . . because the Courts have held that, by the introduction of that phrase, if there has been a serious mistake of law which has led to a heavy loss, that loss is irrecoverable.

Mr. Bhulabhai J. Desai: They may decide anything in favour of an assessee through a mistake.

The Honourable Sir Jeremy Raisman: The danger of having the law in this form is that the only protection open to the revenue authorities is to say to the income-tax officer, "You must jolly well see to it that you never do make a mistake of law involving large sums because if you do make a mistake, nobody can retrieve it". If anything that suggests to me that the present position is not conducive to good administration or to the best relations with the assessee. It seems to me that the position as it was before is actually better. I realise that it is a disadvantage to an assessee, during the period of years for which the particular section is operative, not to be able to say that he is completely finished with the income-tax officer.

Mr. T. T. Krishnamachari: Would you go back to the position as it existed before 1938?

The Honourable Sir Jeremy Raisman: No, I cannot accept that sporting offer.

Mr. Bhulabhai J. Desai: I have not made that yet.

The Honourable Sir Jeremy Raisman: Mr. Krishnamachari has suggested it. I do attach some value to this amendment, but I do not rate it so high

as to be prepared to pay any price for it, and the price mentioned is certainly too high.

Well, I was endeavouring to explain why we on the side of the revenue do attach importance to these suggestions; why we do think that there would be some use in assisting to counter that large amount of evasion which it is admitted on all hands is going on. As I said a little while ago, I should be very happy if something more effective could be substituted for them. If Honourable Members of the Select Committee would constitute themselves for a part of the time into an advisory committee to suggest to me how I can improve on this, I should be deeply grateful. But I cannot say that I am very optimistic.

That leaves me with very little to say, because on the other clauses of the Bill I find myself in the not unexpected position that people are quite prepared to receive such benefits as the treasury very rarely may be prepared to bestow. The only words of disapproval, the only murmurs that may be made on them are that the present might well be larger or that it might take a different shape. These are matters which can best be discussed in the Select Committee.

I think that most of the points that have been brought forward can best be dealt with round a table and possibly I may hope that I shall, at any rate, on this occasion, receive some sort of assistance from the Members of this House in return for the consideration which I have endeavoured to extend to the needs of the various classes of tax-payers.

An Honourable Member: Optimism.

The Honourable Sir Jeremy Raisman: I do not think that that constitutes unreasonable optimism. At this stage, at any rate, I would like to maintain a note of cheerfulness and see how we get on.

I do not think that I should detain the House any longer. I feel that we shall be able to deal with these matters in the Select Committee.

There is one point, Sir. It has been suggested to me that the name of the Leader of the Opposition, Mr. Bhulabhai Desai, should be substituted for that of Mr. Abdul Qaiyum in the names for the Select Committee and in view of Mr. Bhulabhai Desai's connection with the previous history of these matters as well as his well known skill in relation to them, I trust that the amendment will be accepted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Bill further to amend the Indian Income-tax Act, 1922, and the Excess Profits Tax Act, 1940, be referred to a Select Committee consisting of Mr. Bhulabhai J. Desai, Mr. Sami Vencatachelam Chetty, Mr. Sri Prakasa, Sir Muhammad Yamin Khan, Mr. Muhammad Nauman, Mr. T. T. Krishnamachari, Mr. T. Chapman-Mortimer, Sir Vithal N. Chandavarkar, Sir Cowasjee Jehangir, Sir John Sheehy and the Mover, with instructions to report by Monday, the 19th March, 1945, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 9th March, 1945.