

5th March 1946

THE LEGISLATIVE ASSEMBLY DEBATES

Official Report

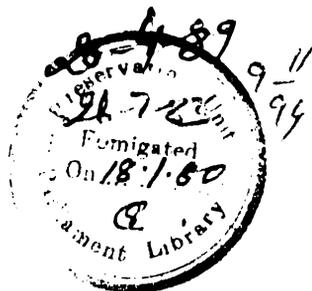
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(28th February to 14th March, 1946)

FIRST SESSION

OF THE

SIXTH LEGISLATIVE ASSEMBLY, 1946



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LEGISLATIVE ASSEMBLY

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LEGISLATIVE ASSEMBLY

Tuesday, 5th March, 1946

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

STARRED QUESTIONS AND ANSWERS †

WRITTEN ANSWERS

PRODUCTION OF INDUSTRIAL ALCOHOL

663. *Mr. Manu Subedar: (a) Will the Honourable Member for Industries and Supplies please state the total amount of molasses arising out of sugar manufactured in India, and how much of it is used for the production of industrial alcohol?

(b) To what other purposes, if any, it is put at present, and how much is exported?

(c) How many factories for the production of industrial alcohol exist in India, and what was their total annual production?

(d) Is it a fact that the relative consumption of industrial spirit in motor cars is higher than petrol, and the cost of production is higher than the c.i.f. price of petrol?

(e) Do Government propose to explain why the production of industrial alcohol is discouraged in India by the levy of the same duty as on petrol?

The Honourable Mr. A. A. Waugh: (a) Approximately 400,000 tons and 150,000 tons respectively.

(b) Molasses are also used as fuel in boilers, in tobacco-curing, manuring, in the manufacture of Crude Sugar, and as a cattle feed ingredient. Khandari molasses are used for Gur manufacture and for food. No export is allowed.

(c) There are 35 factories producing upwards of 8 million gallons per annum. Of these, 13 factories are capable of producing between them some 4 million gallons of anhydrous or 'power' alcohol, from rectified spirit. The other factories produce rectified spirit of varying strength.

(d) Both anhydrous alcohol or rectified spirit, if used alone as a motor spirit, are less efficient than petrol. Anhydrous alcohol can be mixed with petrol, and when mixed in certain proportions the mixture is said to be as efficient as or more efficient than petrol. In other proportions the mixture is less efficient, and the degree of efficiency varies with the amount of petrol added. The cost of manufacturing industrial alcohol is at present higher than the c. i. f. price of petrol.

(e) Government have no desire to discourage the production of industrial alcohol. In view of what has been stated in reply to parts (c) and (d) it will be clear that differential taxation based on such variable factors would not be feasible. Where industrial alcohol is used for other purposes than as motor spirit it is not subjected to central excise.

DISPOSAL OF GOVERNMENT OWNED INDUSTRIAL PLANTS

664. *Mr. Manu Subedar: (a) Will the Honourable Member for Industries and Supplies please state how many of the factories constructed wholly by Government funds, whose list was given in a statement in reply to starred question No 748, dated the 7th March, 1945, have stopped production, and how many men have been thrown out of work?

(b) How much of this plant has been disposed of already, and what is Government's policy with regard to the disposal of this plant?

†The question hour for the day having been dispensed with, the answers were laid on the table of the House.—*Ed. of D.*

(c) Has any arrangement been reached? If so, what is it with regard to extensions of factories brought about with financial assistance from Government?

(d) What is the arrangement with such firms with regard to the disposal of the plant or the return of Government moneys?

(e) Have these firms the option to acquire the plant? If so, on what terms and conditions?

(f) With how many has a final settlement been reached?

The Honourable Mr. A. A. Waugh: (a) and first part of (b). A statement is laid on the table.

Second part of (b) and (c). Where the terms of agreements require that the holding contractors should be given the first option to purchase, the plants are sold to them. In other cases the policy is to dispose of the plants in accordance with the principles stated in the reply given on the 22nd February 1946, to part (f) of starred question No. 486.

(d), (e) and (f). Arrangements for the disposal of extensions of factories financed by Government vary according to the terms of the agreements with the individual firms. Detailed information about each factory concerned is not readily available, and the time and labour involved in collecting it would be incommensurate with the apparent value of the result.

Statement

Factories erected wholly at Government cost that have stopped production	Number of men thrown out of employment	Plant already disposed of
No. 5 Civil Maintenance Unit, Barrackpore	1,772	None.
No. 6, Civil Maintenance Unit, Poona	2,000 appx.	None.
No. 12, Civil Maintenance Unit, Santa Cruz, Bombay.	604	None.
No. 10, Civil Maintenance Unit, Ramrajtollah, Bengal.	110	None.
No. 16, Civil Maintenance Unit, Sion, Bombay	95	None.
Parachute Factory, Sailkot	3,415	None.
Clothing Factory, Sialkot	558	None.
Government stabilised Bleaching Powder Factory Rishra, Calcutta.	Figures not available.	None.
Dusol Plant	Ditto	Whole.
Hydrogen Plant, Rishra	Ditto	None.
Branch Harness and Saddlery Factory, Madras	179	None.
Government Silk Filature Kollegal, Madras	Figures not available.	Whole.
The Kankanhalli Filature, Mysore.	Ditto	Whole.
Government Sawmill, Khandwa (C. P.)	Ditto	None.
Government Sawmill, Seoni (C. P.)	Ditto	None.
Government Sawmill, Ghorpuri	Ditto	None.
Government Sawmill, Jhelum	Ditto	None.
Government Sawmill, Chheharata	Ditto	None.
Medical Store Depot, Factory Chheharata, Amritsar	758	None.
S. S. Hilda floating workshops, Bombay	400	None.

CONSTITUTION OF AIR TRANSPORT LICENSING BOARD

665. *Mr. Manu Subedar: (a) Will the Secretary for Posts and Air please state on what basis the constitution of the proposed Air Transport Licensing Board is fixed?

(b) Will the members be selected by the Government of India alone, or, will Provincial Governments be invited to select the members?

(c) If the reply is in the negative, what is the reason for not associating Provincial Governments very closely with this important work?

(d) By what method is it expected to correlate air transport with other modes of transport, in which Provincial Governments have supreme authority?

Sir Gurunath Bewoor: (a) The Honourable Member is referred to rule 135 of the rules published in the *Gazette of India* of the 26th January, 1946, under the Posts and Air Department's Notification No. 11-H(A) 1/46, dated the 23rd January 1946, for the licensing of all transport services. The rules have been laid on the table of the House.

(b) The Chairman and Members of the Air Transport Licensing Board will be appointed by the Central Government.

(c) The appointment will be made by the Central Government, as "Aviation" is a Central Government responsibility.

(d) By "other modes of transport", the Honourable Member is apparently referring to road transport. It is not expected that there will be any conflict of interest between air transport and road transport. The Provincial Governments will, however, be consulted as and when necessary.

REFERENCE TO ALIEN INTERESTS AND COMPANIES IN ALLOCATING AIR ROUTES

666. *Mr. Manu Subedar: (a) Will the Secretary for Posts and Air please state to which companies different air routes have been allotted in the scheme already promulgated and sponsored by the Government of India?

(b) How many companies applied and how many of those, who have received allotment, are British or British sponsored Indian companies, and how many are Indian firms and Indian sponsored Indian companies?

(c) Who made the allotment, and why has undue preference been given to alien interests and alien companies in India?

(d) Did the Honourable Member make the following remarks at a conference convened by him in April 1944: "Our memorandum makes it clear that as regards India's internal air services, they should be the sole concern of India and that the policy of Government is to develop civil aviation in India with Indian capital under Indian management, and to afford training and opportunities for employment to Indians, in the matter of international services, India will claim full reciprocal rights, and in the case of the participation of India in any through services, such participation shall be not only financial but technical as well as operational. I trust that this policy will meet with your full approval"?

(e) How do Government reconcile the abovementioned profession and concern for Indian interests with the manner in which licences are being given already to non-Indian concerns?

Sir Gurunath Bewoor: (a) No allotment of air routes has so far been made to any company. Purely temporary arrangements have been made with Tata Air Lines and Indian National Airways for the operation of commercial air services in continuation of war time arrangements till the new plans of the Government of India are put into effect.

(b) No applications were called for the operation of air services. The second part of the question does not arise.

(c) Does not arise.

(d) Yes.

(e) Does not arise.

EFFECT OF RUPEES REALISED BY AGENTS OF U. S. A. GOVERNMENT THROUGH DISPOSAL OF GOODS IN TRADING OPERATIONS

667. *Mr. Manu Subedar: (a) Will the Honourable Member for Industries and Supplies please state whether there has been any negotiation with regard to

the finance in rupees realised by the agents of the U.S.A. Government from disposal of their material in India, and how and when it is to be used either for the purchase of commodities or to be converted in dollars?

(b) What precautions has the Finance Department taken to see that the finance arising out of the sale of American goods in India belonging to the U.S.A. Government (Disposals Section) does not interfere with the normal trading operations of the civil population?

(c) Have there been any direct negotiations between the Government of India and the U.S.A. Government on this subject?

(d) Has any agreement been reached?

The Honourable Mr. A. A. Waugh: (a) to (d). Negotiations took place with representatives of the U. S. Government and resulted in an agreement regarding the disposal of surplus goods in India belonging to the U. S. A. Government. This agreement provided that the rupee proceeds of sales of such surpluses made by the U. S. authorities in India could be used only for meeting U. S. Government or military expenditure and for no other purpose. Any balance left was to be the subject of further negotiations between the two Governments. Subsequent negotiations have resulted in an agreement which provides for the taking over by the Government of India on agreed terms which will be finally settled by subsequent negotiations in Washington of all U. S. Government surplus property in India that had not already been sold or offered for sale under the previous agreement.

EUROPEANS IN CERTAIN OFFICES MADE PERMANENT

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

(a) the offices in the Supply Department that were created after the beginning of the war, and how many of them are now made permanent;

(b) the number of the officers who had been recruited temporarily but who are being entertained permanently;

(c) how many of these newly confirmed officers are Europeans and how many Indians; and

(d) whether Government propose to keep in abeyance their decision or enforcement of their decision as to the permanency or otherwise of the new offices created since the war until after Government consults the Finance Department, and the Standing Committees for Finance and Industries and Supplies?

The Honourable Mr. A. A. Waugh: (a) The following offices were created:

(1) The Directorates General of Supply, Munitions Production, Shipbuilding and Repairs, Aircraft, and Disposals;

(2) The offices of the Iron and Steel Control, Electrical Commissioner, Coal Commissioner;

(3) The offices of Chief Controllers of Purchase, Supply, and Munitions;

(4) Offices of the Controllers of Supplies, Calcutta, Bombay, Karachi, Cawnpore, Madras, and Lahore;

(5) Offices of the Port Shipping Officers, Calcutta, Bombay, Karachi, Madras and Assistant Port Shipping Officer, Cochin;

(6) Chief Registration Officer; and

(7) India Supply Mission U. S. A.

Of these various offices, the Chief Controllers of Purchase have been merged in the Directorates General of Supply and Munitions, which will shortly merge, along with the Directorates General of Ship-building and Repairs and Aircraft, in the Directorate General, Industries and Supplies. The offices of Controllers of Supplies have been wound up. None of the wartime offices referred to has been made permanent.

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

(d) It has been decided in consultation with Finance Department that the Department of Industries and Supplies will be placed on a permanent basis, but

no decision has so far been reached as to how many posts under it in various grades will be made permanent. This question will be decided in consultation with Finance Department and the Standing Finance Committee. The Standing Committee attached to the Department of Industries and Supplies is not concerned.

SUPPLY OF IRON AND STEEL FOR AGRICULTURAL PURPOSES

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

(a) the quantities per month of iron and steel and plating materials placed at the disposal of Provincial Governments and other civil authorities for distribution among agriculturists for agricultural purposes during the six months previous to the cessation of hostilities with Japan and ever since thereafter; and

(b) what special steps are now being taken to increase the supply of iron and steel for agricultural purposes?

The Honourable Mr. A. A. Waugh: (a) A statement giving the approximate tonnages of iron and steel allocated per month for agricultural purposes during the period from February, 1945, to March 1946, is laid on the table.

(b) The Honourable Member will see from the statement referred to in answer to part (a) of the question that the monthly allotment of iron and steel for agricultural purposes has now risen to three times what it was a year ago. Every endeavour is being made to ensure that this quantity is placed within the reach of the agriculturists at controlled prices through registered stockists all over the country. The limits of unlicensed sales have been increased considerably.

Months	Statement	Allotment (in tons)
February, 1945		7058
March, 1945		7058
April, 1945		6719
May, 1945		6719
June, 1945		6719
July, 1945		8700
August, 1945		8700
September, 1945		8700
October, 1945		9115
November, 1945		9115
December, 1945		9115
January, 1946		21243
February, 1946		21243
March, 1946		21243

MONEY SPENT ANNUALLY ON TRIBAL TERRITORIES AND POLITICAL AGENCIES OF NORTH-WEST FRONTIER

670. *Khan Abdul Ghani Khan: (a) Will the Foreign Secretary please state how much money is spent annually on tribal territories and the political agencies of the North-West Frontier (excluding Baluchistan)?

(b) How is it distributed among the following heads of expenditure.

(i) Public work, (ii) Schools, (iii) Hospitals, and (iv) Entertainment?

(c) How much does an average tribesman get per year as subsidy?

Mr. H. Weightman: (a) and (b). I place a statement on the Table showing the actual total expenditure in the Tribal Areas of the North-West Frontier for the years 1943-44, 1944-45, and the revised estimate for 1945-46, and figures of expenditure under the heads mentioned by the Honourable Member.

(c) Government are not clear what the Honourable Member has in mind but the answer to this part of the question as he has put it is that no subsidy is paid to any tribesman as an individual.

Statement showing total annual expenditure on the Tribal Areas of the North West Frontier and expenditure under certain specified heads

	Actuals of 1943-44 Rs.	Actuals of 1944-45 Rs.	Revised estimate for 1945-46 Rs.
(a)	2,23,20,179	2,26,43,434	2,51,64,200
(b) (i) Public Works	30,11,025	38,61,879	32,59,300
(ii) Schools	1,40,946	1,54,320	1,68,000
(iii) Hospitals	4,76,970	5,11,284	5,10,200
(iv) Entertainment	4,04,269	4,20,257	4,12,900

POLITICAL AGENT AS MAGISTRATE

671. *Khan Abdul Ghani Khan: (a) Will the Foreign Secretary please state what law or statute the Political Agent applies when he functions as Magistrate?

(b) To what court does an appeal lie against the decisions of the Political Agent in ordinary judicial matters?

Mr. H. Weightman: (a) Assuming the question to refer to the Tribal Areas beyond the Western and Northern boundaries of the N. W. F. P., the answer is: The Code of Criminal Procedure, The Frontier Crimes Regulation, The Frontier Murderous Outrages Regulation: as applied by External Affairs Department Notification No. 8-W of 3rd September 1939.

(b) The Judicial Commissioner, N. W. F. P., from sentences of death, transportation, or imprisonment for a term exceeding one year passed by a Political Agent in exercise of jurisdiction under the Criminal Procedure Code. There is no appeal against any sentence passed under the Frontier Crimes Regulation or the Frontier Murderous Outrages Regulation, but the Agent to the Governor-General, N. W. F., or an officer appointed by him, exercises the revisionary powers of a Commissioner under the former Regulation.

TRANSFORMATION OF STATUS FROM POLITICAL AGENCY TO SETTLED DISTRICT

672. *Khan Abdul Ghani Khan: (a) If the people of a Political Agency want to form part of settled districts will the Foreign Secretary please state what course is open to them to accomplish this?

(b) If there is no such course open to them, will the Honourable Member please state if any objections exist to the provision of such a course?

Mr. H. Weightman: (a) It is presumed that by the expression "people of a Political Agency" the Honourable Member means the inhabitants of Tribal Territory beyond the northern and western limits of the British Indian districts of the North-West Frontier Province. The inhabitants of any part of such territory can always make their wishes known to Government through the Political Officer who conducts relations with them and who will transmit their wishes for the consideration of Government. Since however one necessary consequence of incorporating any such area in a Settled District would be that the tribesmen concerned would become liable to pay the taxes applicable in the North West Frontier Province the question would seem to be hypothetical.

(b) Does not arise.

NEWSPRINT QUOTA TO PUBLISHERS

673. *Mr. Vadilal Lalubhai: Will the Honourable Member for Industries and Supplies please state:

(a) the figures of the new publishers and new periodicals started after the 12th June 1944; and

(b) the quotas of newsprint each such individual new publisher has been allotted, and the basis for allotting these quotas?

The Honourable Mr. A. A. Waugh: (a) The number of new periodicals permitted to be brought out on paper other than newsprint since the promulgation of the Paper Control (Economy) Order, 1944, on 12th June 1944, is 66. No new publisher have been permitted to start a publishing business after that date.

(b) As no new publishers have been allowed to come into the field the question of allotment of quotas to them does not arise.

INDIA'S MEMBERSHIP TO LEAGUE OF NATIONS

674. *Sardar Mangal Singh: Will the Foreign Secretary please state:

(a) whether India is still a member of the League of Nations; if so, whether she pays any subscription, and what it is; and

(b) whether Government propose to take necessary steps to withdraw from League of Nations?

Mr. H. Weightman: (a) Yes. India's contribution to the League of Nations for 1946 amounts to approximately Rs. 14,20,000.

(b) No. It is expected that the League of Nations will be dissolved in the near future and that certain of its functions, activities and assets will be transferred to the United Nations; it would not be in India's interest to withdraw from it at this stage.

INDIA'S MEMBERSHIP TO INTERNATIONAL ORGANISATIONS

675. *Sardar Mangal Singh: Will the Foreign Secretary please state what the International organisations are of which India is a member, giving a complete list of names together with the amounts of subscription payable by India?

Mr. H. Weightman: The question should have been addressed to the Honourable the Finance Member. It has accordingly been transferred to the list of questions for the 8th March, 1946, when it will be answered by the Honourable the Finance Member.

TRADE RELATIONS WITH RUSSIA

676. *Sardar Mangal Singh: Will the Foreign Secretary please state:

(a) whether Government contemplate to open negotiations with the U.S.S.R. with a view to establishing trade relations with Russia;

(b) how the trade is now governed between the U.S.S.R. and India; whether it is open to any commercial concern to establish commercial contacts and do business there; and

(c) whether there is any Russian concern carrying on business now in India, and *vice versa*; if so, their names and the nature of the business done by them?

Mr. H. Weightman: The question should have been addressed to the Honourable the Commerce Member. It has accordingly been transferred to the list of questions for the 12th March 1946, when it will be answered by the Honourable the Commerce Member.

PLANTS FOR NEWLY ESTABLISHED TEXTILE FACTORIES

677. *Sardar Mangal Singh: Will the Honourable Member for Industries and Supplies please state:

(a) how many new textile factories have been sanctioned by Government, and whether more of such factories will be sanctioned;

(b) by what time it would be possible for them to get their plants;

(c) whether the plants will be brought from the United Kingdom or the United States of America; what steps Government are taking to facilitate their import; and

(d) whether India has got any machineries from Japan as her share of reparations after the Japanese factories were dismantled by the Allies?

The Honourable Mr. A. A. Waugh: (a) The Committee set up by Government to draw up a plan for India's textile expansion has recommended an

increase of 2.75 million spindles over existing spindleage. This recommendation involves the establishment of some 130 new factories. No final decision has yet been taken by Government on this recommendation.

(b) It is difficult to give any precise answer to this as our ability to get textile manufacturing machinery from overseas is dependent partly on the speed of industrial reconversion in the U. K. and U. S. A. and partly on the relative priority of Indian orders in manufacturers' books. The latest information is that we cannot hope for any quick imports of the quantity of textile machinery that India needs.

(c) Mostly from the United Kingdom, partly from the United States of America. Government will facilitate import by issuing import licences and, in the case of plant coming from the U. S. A., by affording dollar facilities. The Government of India have urged upon His Majesty's Government in the United Kingdom and on manufacturers in England the urgent necessity of supplying India with her requirements of textile machinery, and an important function of both the India Supply Commission in London and the India Supply Mission in Washington is to give all possible assistance to Indian industrialists in securing quick deliveries against their orders.

(d) Not yet. The whole question of Japanese reparations is under examination by the Governments concerned. India's need for textile machinery will be kept prominently in mind in the discussions on reparations.

WHEREABOUTS OF MR. SURESH CHANDRA

678. *Sri M. Ananthasayanam Ayyangar: (a) Is the Foreign Secretary aware that Mr. Suresh Chandra went for studies to France in 1937?

(b) Is he also aware that the above gentleman went to Berlin in 1940-41 and then joined the Indian Legion?

(c) Is he also aware that Mr. Suresh Chandra joined Free Indian Movement in his capacity as a civilian and not as a member of the British Indian Forces?

(d) Will he kindly state the present whereabouts of Mr. Suresh Chandra and whether he is going to be brought to India? If so, when?

Mr. H. Weightman: (a) The Government of India are aware that Mr. Suresh Chandra was in Europe during the war.

(b) and (c). They understand that he was working at the Free India Centre, Berlin, as a civilian.

(d) He has not yet been located and the question of his repatriation cannot be considered until he has been found.

FERRY STAFF OF MOKAMA GHAT ON OUDH AND TIRHUT RAILWAY

679. *Shri Satya Narayan Sinha: (a) Is the Honourable the Railway Member aware that the Ferry staff of the Mokama Ghat on the Oudh and Tirhut Railway are paid only Re. -/5/- to Re. -/8/- as daily wages or Rs. 15 to Rs. 20 per month though they are in the service for over a decade?

(b) Is it a fact that they have to work from fourteen to twenty-four hours per day in some cases, though the maximum hours of work provided in the Regulations is only 84 hours a week, in the case of intermittent work and 60 hours a week in the case of continued work?

The Honourable Sir Edward Benthall: (a) The unskilled and semi-skilled Ferry Staff on the O. T. Railway, all of whom are on monthly rates of pay, were formerly in receipt of pay in scales ranging from Rs. 8 to Rs. 18 p.m. and Rs. 12 to Rs. 20 p.m. respectively. With effect from 1st April, 1945, however these scales have been revised and range from Rs. 10 to Rs. 19 p.m. in the case of unskilled Ferry staff, and between Rs. 15 and Rs. 24 p.m. in the case of semi-skilled Ferry staff. The foregoing figures represent basic pay. In addition, the staff concerned are in receipt of dearness allowance in cash and relief in the shape of cheap foodgrains to the extent of Rs. 25 p.m.

(b) Government are informed that the Ferry staff concerned are not required to work beyond the limits fixed under the Hours of Employment Regulations.

TIMBER PURCHASED BY GOVERNMENT OF INDIA

680. *Sjt. N. V. Gadgil: Will the Honourable Member for Industries and Supplies please state:

(a) the total quantity of Indian timber purchased by the Government of India for the years 1939-40, 1940-41, 1941-42, 1942-43, 1943-44, 1944-45, 1945-46;

(b) the total price paid by Government for the timber so purchased for the above years; and

(c) the total quantity of timber purchased by the Government of India for other agencies such as, His Majesty's Government or other Governments, for the above years?

The Honourable Mr. A. A. Waugh: (a) The total quantity of Indian timber purchased by the Government of India before January, 1941 was insignificant. The purchases during the five calendar years 1941-45 were 564,000 tons, 560,000 tons, 1,316,000 tons, 1,112,000 tons and 950,000 tons respectively.

(b) The total value of timber purchased during these five calendar years was approximately 41.6 crores of rupees.

(c) All timber purchases mentioned in reply to part (a) of the question were initially made by debit to an H. M. G. head of account and recoveries were made in respect of timber issued for purposes other than defence. The details of issues are approximately as shown below:—

	Tons
1. Defence	3,881,000
2. Railways (this excludes purchases made directly by Railways).	190,000
3. Central P. W. D.	61,000
4. Other miscellaneous indentors including Provincial Government Departments, Post and Telegraphs, Bengal boat Building and private parties.	330,000
5. U. S. Forces	50,000
Total	4,502,000

FORWARD TRANSACTIONS IN COTTON AND KAPPAS

681. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Member for Industries and Supplies be pleased to state whether, after the prohibition of forward transactions in cotton and *kappas* in 1943 (*vide* Commerce Department Notification No. P. & S. C. 56/43, dated the 19th May 1943), Government permitted resumption of such transactions in certain places? If so, in what places?

(b) Was such permission to resume forward transactions in cotton, cotton seeds and other commodities given in pursuance of a general policy which deemed such restrictions no longer necessary?

(c) Has permission been refused to resume such transactions in the town of Beawar (Ajmer-Merwara)? If so, why?

(d) In what places in British India are forward delivery transactions in commodities other than cotton at present being carried on, and in what commodities?

(e) Are Government aware that the transactions of this nature in cotton and other various commodities are being carried on in various States in India? If so, are Government aware that by prohibition of this trade in British India the entire trade by the residents of British India is transacted now in the Indian States, and, as such the public is being put to great inconvenience, and that Government also suffer loss of income-tax and other revenue?

The Honourable Mr. A. A. Waugh: (a) Yes, Sir. Forward trading in cotton and *kappas* is permitted only in the ring of the East Indian Cotton Association, Bombay, and the Karachi Cotton Association.

(b) No, Sir.

(c) Yes, Sir, because Beawar is not a highly important cotton centre like Bombay or Karachi.

(d) Restrictions in forward dealings in bullion, which were applicable throughout British India, have been withdrawn with effect from the 25th February, 1946. Forward trading in respect of oil seeds, vegetable oils and oilcakes, spices, wheat and grain is still prohibited throughout British India, and no relaxations have been made. Forward trading in rice is prohibited in some provinces.

(e) No, Sir. Similar restrictions have been imposed in all important States also.

NATIONALISATION OF COAL INDUSTRY

652. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Member for Industries and Supplies please state if Government are aware that there exists a serious conflict between the capitalists as producers of coal and consumers, and that the two conflicting points of view have always been presented to Government by the divergent interests of the coal producers and consumers at the time of fixing selling price of coal?

(b) Is it a fact that this conflict has become all the more accentuated during the war and that it has been seriously affecting the coal industry and the production of coal?

(c) Is it a fact that on account of this serious conflict a Coal Consumers' Association has recently been formed in Calcutta? Has any representation been made by this Association to Government? If so, with what results?

(d) What steps, if any, are in contemplation of Government to minimise the chances of conflict in the smooth working in the interest of the coal industry?

(e) Are Government aware that nationalisation of coal industry is suggested as the only solution of this ever-increasing conflict between the producers and consumers? If so, what steps, if any, Government propose to take towards the attainment of this object?

The Honourable Mr. A. A. Waugh: (a) and (b). No, Sir, I am not aware of serious conflict between the producers and consumers of coal. The present control prices were fixed by Government after taking full account of the views of both producers and consumers. It is not a fact that the prices fixed by Government have adversely affected production of coal.

(c) A Coal Consumers Association was formed in Calcutta, and a representation was received from this Association in July last. The immediate object of the representation was to request Government to give a seat on the proposed Coal Enquiry Committee to the Association. The Association was informed that particular interests have not been given representation on the Committee, which is intended to record evidence of all interested parties. Representatives of both consumers and producers interests will be invited by the Committee to advise on the various problems to be investigated by it.

(d) As the Honourable Member is aware Government have set up an Indian Coal-fields Committee to enquire into the problems of the Coal industry, including an examination of the economics of the coal industry. What measures are necessary will be considered on receipt of the report of the Committee.

(e) The attention of the Honourable Member is invited to my reply to starred question No. 455, answered on the 22nd February 1946.

CLOTH SUPPLY IN BIHAR

653. *Choudhury Md. Abid Hussain: (a) Will the Honourable Member for Industries and Supplies please state the procedure for selecting cloth for different Provinces from the Bombay, Ahmadabad and other mills?

(b) Is there any representative from Bihar in the selection committee?

(c) Are Government aware that coarse and unpopular varieties of cloth are frequently sent to the Province of Bihar?

(d) Is it a fact that sometimes prices printed on coarse cloth are higher than those printed on fine cloth?

The Honourable Mr. A. A. Waugh: (a) Cloth is selected at the producing centres by Provincial buyers, who are nominated by the Provincial Governments, in accordance with the requirements of the provinces they represent. These buyers have the option of rejecting any varieties they do not require, and where rejection is considered justifiable replacement by suitable varieties is arranged by the Textile Commissioner.

(b) There is no selection committee.

(c) Complaints regarding supply of coarse and unpopular varieties to Bihar have occasionally been received. But the Bihar provincial buyers are entirely responsible if they buy unsatisfactory varieties for their province.

(d) Yes, Sir, sometimes. This is due to the construction of the cloth concerned, largely in so far as it concerns the weight of yarn per yard of cloth.

CLOTH CONTROL AND BLACK-MARKETING

684. *Choudhury Md. Abid Hussain: (a) Will the Honourable Member for Industries and Supplies please state what will be the probable duration of the Cloth Control in India?

(b) Are Government aware of the fact that there is a great demand of the public to abolish the cloth control?

(c) Are Government aware that people of rural areas, are the great sufferers, who usually buy their cloth from middlemen who have sprung up due to this Control Order?

(d) Is it not a fact that a large quantity of villagers' share of cloth find its way in the black market?

(e) What policy have the Government of India adopted to check this kind of black marketing and profiteering, and is there any success in that line?

The Honourable Mr. A. A. Waugh: (a) As long as the general cloth shortage makes it necessary.

(b) The Honourable Member's attention is invited to part (c) of my answer to Starred Question No. 456, asked by Shri Mohan Lal Saksena, on 22nd February 1946.

(c) This is not Government's view. Only licensed dealers are allowed to trade, and licences are normally issued only to established dealers. The control, far from encouraging new comers in the trade, has in fact ousted them.

(d) No, Sir. The periodical reports from Provinces and States indicate that the great bulk of cloth sent from producing areas to consuming areas finds its way to the people.

(e) Government have fixed ceiling prices, which are stamped on the cloth. It is for the consuming public to refrain from paying more than what is shown, and by and large I am satisfied that they do refrain from doing so.

MOLESTATION OF WOMEN BY RAILWAY POLICE AT VICTORIA TERMINUS, BOMBAY

685. *Srijut Dharendra Kanta Lahiri Choudhury: (a) Is the Honourable the Railway Member aware of the recent incident relating to the molestation of the women travelling public by the staff of the Watch and Ward and of the Government Railway Police at the Victoria Terminus Railway Station on the Great Indian Peninsula Railway? If not, will he please make enquiries and state if it is a fact that he has received a letter of complaint of such an incident which took place on the 22nd October, 1945? If not, what is the fact?

(b) If the reply to (a) be in the affirmative, will he please further state the action taken by him on the said letter? If no action has been taken, why?

(c) Is it a fact that the Station Staff refused to record any such complaint? If not, what is the fact?

(d) What arrangements are made by Government to protect the women travellers from molestation by Government servants either Railway or Police? If no arrangements are made, why?

The Honourable Sir Edward Benthall: (a) A letter regarding such an incident was received in January 1946.

(b) The letter was forwarded to the General Manager, G. I. P. Railway, for disposal.

(c) I understand that the Railway staff were not approached at the time regarding this complaint. However full investigation is now in progress.

(d) I would refer the Honourable Member to Sections 120 and 181 of the Indian Railways' Act and Rule 13, Chapter II, Part II of the General Rules for Indian Railways copies of which are in the Library of the House.

PRODUCTION AND EXPORT OF CLOTH

686. *Mr. Muhammad Nauman: Will the Honourable Member for Industries and Supplies be pleased to state:

(a) the total length in yards of cotton cloth manufactured by mills in India including all varieties, fine, popular and coarse, during the years ending the 31st December, 1943, and the year ending the 31st December, 1944, and the year ending the 31st December, 1945;

(b) the total length in yards of cotton cloth manufactured by mills in India exported to foreign countries—(i) through Government agency, (ii) through private exporters of cotton clothes, and (iii) through the Military Department for use in foreign countries—theatres of war during the twelve months of the years 1943, 1944 and 1945; and

(c) the percentage of the Indian manufactured cotton cloth exported to foreign countries as they compare with the total production in the years 1943, 1944 and 1945?

The Honourable Mr. A. A. Waugh: (a) The output of cotton cloth by mills in India was, in millions of yards:

In 1943, 4,715 million yards.

In 1944, 4,815 million yards.

In 1945, 4,654 million yards.

(b) The quantity of such cloth exported in these years was:

(i) through Government agency—none.

(ii) through private exporters—

In 1943, 566 million yards.

In 1944, 484 million yards.

In 1945, 464 million yards.

These figures include handloom cloth as well as mill made cloth. Separate figures are not easily available, but exports of handloom cloth were small.

(iii) The following quantities were supplied against military demands—

In 1943, 601 million yards.

In 1944, 802 million yards.

In 1945, 575 million yards.

Figures are not available to show how much of this was used by Defence Services in India and outside India separately.

MUSLIMS IN INDUSTRIES AND SUPPLIES DEPARTMENT

687. *Seth Yusuf Abdoola Haroon: Will the Honourable Member for Industries and Supplies be pleased to state:

(a) the total number of officers retained or proposed to be retained in (i) the Development Branch, (ii) the Procurement Branch, and (iii) the Disposals Branch of his Department;

(b) the number of Muslims in each of the above Branches; and

(c) whether the prescribed Muslim quota is kept up in each of the above Branches; if not, whether Government propose to consider the question of making up the deficiency by appointing suitable discharged temporary Muslim officers or taking in fresh candidates from outside?

The Honourable Mr. A. A. Waugh: (a) and (b). A statement showing the number of posts sanctioned, number of posts filled and number of Muslims selected, as on 1st March, 1946, is placed on the table.

(c) Not in *each* of the above Branches. But as the overall prescribed Muslim quota has been maintained the second part of the question does not arise.

Statement

---	No. of posts sanctioned	No. of posts filled	No. of Muslims
Development Branch	37	30	5
Procurement Branch	50	46	13
Disposals Branch	98	73	21
Total	185	149	39

MUSLIMS IN OFFICE OF ELECTRICAL COMMISSIONER WITH GOVERNMENT OF INDIA, CALCUTTA

688. *Seth Yusuf Abdoola Haroon: Will the Honourable Member for Industries and Supplies be pleased to state:

(a) the total number of officers in the office of the Electrical Commissioner with the Government of India at Calcutta;

(b) the number of Muslim officers therein;

(c) if it is a fact that all the posts in his office were filled without due publicity and advertisement; if so why;

(d) if it is a fact that some qualified Muslim Engineers with adequate experience, applied for suitable posts of officers in the said office but their services were not accepted; and

(e) whether Government propose to consider the appointment of a sufficient number of Muslim officers in that office to keep up the communal quota?

The Honourable Mr. A. A. Waugh: (a) 20.

(b) There is none at present.

(c) Yes; all the posts were filled during the war, when the urgency was such that all of the posts could not be advertised nor given wide publicity.

(d) No, Sir; nor would their existing employers agree to release Muslim Engineers with adequate experience located by the Electrical Commissioner.

(e) Yes, Sir; Government would welcome applications from suitably qualified and experienced Muslim candidates.

DISMANTLING OF HABIGANJ-SHAISTAGANJ BRANCH LINE OF BENGAL ASSAM RAILWAY

689. *Mr. Ali Asghar Khan: (a) Will the Honourable the Railway Member please state why the Habiganj-Shaistaganj Branch Line of the Bengal Assam Railway was dismantled?

(b) Was it solely for war purpose?

(c) Is the dismantled material lying in some place unused?

(d) Are Government aware that dismantling of the line is causing inconvenience to the public?

(e) Do Government propose to reinstall the line at a very early date? If so, when?

The Honourable Sir Edward Benthall: (a) The Shaistaganj-Habiganj branch line of the B. A. Railway was dismantled to provide permanent way materials required for the prosecution of the war.

(b) Yes.

(c) Immediately on release the track materials were allotted for urgent line of communications works on the B. A. Railway.

(d) Government are aware that some inconvenience is always caused to the public when a railway line is dismantled.

(e) This branch line has been selected for priority of investigation for restoration.

MANUFACTURE AND USE OF SPIRIT FROM MOLASSES

690. *Mr. B. P. Jhunjhunwala: (a) Will the Honourable Member for Industries and Supplies be pleased to state if it is a fact that before the war the Government did not allow the manufacture of spirit from molasses nor the use of the same by mixing it with petrol?

(b) What was the reason for not allowing the manufacture and use? What was the policy underlying the said refusal?

(c) What is the present policy of Government in regard to this? Is there any restriction at present about the manufacture and use? If so, why?

(d) Is it a fact that by rationing Government have been able to save only 25 per cent. of the total consumption of petrol in the country? Are Government aware that if sugar factories had been allowed to manufacture spirit from molasses to be used by mixing it with petrol, this 25 per cent saving could have been made without having to introduce the rationing of petrol?

The Honourable Mr. A. A. Waugh: (a) No, Sir.

(b) Does not arise.

(c) During the War and up to the present Government have encouraged the production of motor spirit from molasses. Licences are granted by Provincial or State Governments under their rules. So far as Government is aware, there is no restriction on use of alcohol as motor spirit. The Planning and Development Department have constituted a panel for the development of the power alcohol industry. Its report is expected shortly. The future policy of the Government will be formulated on receipt of the report.

(d) No, Sir. The saving achieved in the civil consumption of petrol averaged 43.8 per cent. between August 1941 and October 1945.

As already explained in reply to part (a) of the question, the manufacture of spirit from molasses was not prohibited, but the output was not sufficient to obviate the need for petrol rationing.

DIFFERENT SCALES OF PAY FOR SAME CLASS OF EMPLOYEES ON DIFFERENT RAILWAYS

691. *Seth Sukhdev: Will the Honourable the Railway Member be pleased to state:

(a) whether Government are aware that Train Controllers of the North Western Railway sent a memorial in August last year, protesting against the inadequate revision of their scales of pay introduced with effect from the 1st January, 1945, and drawing their attention to the discrimination in fixing scales of similar workers on the Indian Railways, specially on the Great Indian Peninsula Railway who were given much better scales from the same date;

(b) the main points of the representation, and whether it has been accepted in full or in part; if no decision has yet been arrived at, when it is likely to be given; and

(c) if the representation has been rejected, the precise points of Government's reply in refusing to eliminate discrimination in the scales of pay of the same class of staff on the Indian Railways which were revised only lately?

The Honourable Sir Edward Benthall: (a) Government have seen the representation in question and though there is a difference in the scales of pay for controllers on the N. W. and G. I. P. Railways, this was not due to discrimination against the staff of the former.

(b) In regard to the first portion of this part, in the representation the Train Controllers have stated that in view of the importance of the area traversed by the North Western Railway, the volume of work handled by the controllers and the need for unification of scales of pay on all railways, their scales should be brought on to the level of the scales obtaining on the G. I. P. Railway. As regards the remaining portions, the question is being examined in consultation with the North Western Railway.

(c) Does not arise in view of the reply to the preceding parts.

CONTROL STAFF ON RAILWAYS

692. *Seth Sukhdev: Will the Honourable the Railway Member be pleased to state:

(a) whether Government are aware that the Controllers on the North Western Railway receive better and prolonged training before they are finally selected as Controllers as compared with the conditions on the Great Indian Peninsula Railway; if so, why the Controllers on the North Western Railway have been given lower wages;

(b) if the reply to the first portion of part (a) above be in the negative, whether the Honourable Member proposes to lay on the table of the House a statement showing syllabus of control training courses on the North Western and Great Indian Peninsula Railways; and

(c) whether the Honourable Member also proposes to give a brief idea of the duties and responsibilities of the Control Staff on the two Railways, North Western and Great Indian Peninsula, the volume of work handled by each Controller in his duty hours, the reasons for discrimination in the 1945 revised scales and whether Government propose to raise the scales of the North Western Railway Control Staff to be on par with those of their colleagues on the Great Indian Peninsula Railway?

The Honourable Sir Edward Benthall: (a) and (b). Government have no information regarding the exact difference in the duration and quality of training imparted to the Controllers on the North Western and the G. I. P. Railways but they do not consider that there can be material difference in this respect, particularly as the whole question of improving the control organisation has been recently under examination. As regards the latter portion of the question, it has already been stated in reply to part (b) of the preceding question that the matter is still under examination.

(c) I regret I cannot indicate the volume of work handled by each Controller during his duty hours. As regards the duties and responsibilities of the Control staff on the N. W. and G. I. P. Railways, the Honourable Member is referred to the information laid on the table of the House on the 21st January 1946, in reply to part (a), of Lala Sham Lal's Starred Question No. 1032, asked on 15th March, 1945.

The reason for fixing a higher scale of pay for Controllers on the G. I. P. Railway has been stated in my reply to part (d), of Lala Sham Lal's question No. 1031, asked on 15th March, 1945. The reply to the last portion does not arise in view of the reply to part (b) of the preceding question.

RELIEVING OF NOMINEES OF ALL-INDIA RAILWAYMEN'S FEDERATION FOR "EMPLOYMENT EXCHANGE TRAINING COURSE".

693. *Seth Sukhdev: Will the Honourable the Railway Member be pleased to state:

(a) whether it is a fact that the Labour Department of the Government of India asked the All-India Railwaymen's Federation to send twelve nominees

of the Federation for training at the "Employment Exchange Training Course" commencing its session on or about the 10th December, 1945, at Delhi;

(b) whether it is a fact that a representation was made to the Railway Board to relieve twelve nominees of the Federation; if it is also a fact that the Board refused to have anything to do with this course of training; if so, why; if not, what the facts are;

(c) whether Government propose to relieve the nominees of the All-India Railwaymen's Federation for any such future course; if not, why not; and

(d) if the reply to the first portion of (c) above be in the affirmative, whether the employees so nominated will be eligible for (i) study leave under Rule 2125 (Fundamental Rule 84) of the State Railway Establishment Code, Volume II, (ii) Free Passes, and (iii) employment in the Railway Employment or Labour Exchanges; if not, what other facilities and prospects are proposed for such trainees; if none, why?

The Honourable Sir Edward Benthall: (a) At the request of the All-India Railwaymen's Federation, Government signified their consent to admit not more than twelve nominees for the training in question.

(b) The reply to the first two portions of the question is in the negative; the third portion does not arise. As regards the concluding portion, it was with the concurrence of the Railway Department that the Department of Labour admitted the Federation's nominees to the course.

(c) Government have not received a request from the All-India Railwaymen's Federation regarding admission of its nominees for training in future courses but have no objection to relieving such nominees as are railway servants when the time comes. I would however point out that in accordance with the terms offered, the trainees nominated by the Federation as well as those nominated by the All-India Trade Union Congress are exempted only from the payment of tuition fees and have to incur all other expenditure including that on boarding and lodging.

(d) As regards the first two items, it is for the nominees of the Federation to make arrangements for joining the training course by utilising any leave and passes due to them. They are not eligible for study leave.

With regard to railway employment mentioned in item (iii), the Honourable Member is apparently referring to the resettlement organisation on railways. These posts are filled by persons who are eligible by seniority and experience of personnel work and there is no bar to a railway employee nominated by the Federation being considered for the post if he possesses these qualifications.

The vacancies on the managerial staff in Labour Exchanges are filled through the Federal Public Service Commission and there is no bar to the nominees of the Railwaymen's Federation trained in the course being considered for these posts if they possess the necessary qualifications.

INCREASED SUPPLY OF PETROL FOR CIVIL CONSUMPTION

694. *Maharajkumar Dr. Sir Vijaya Ananda: Will the Honourable Member for War Transport be pleased to state:

(a) whether, in view of the improved conditions, the basic coupons for petrol will be doubled in the month of March for motorists; and

(b) if this is not possible, the probable month in which the increase can be made in regard to petrol for civil consumption?

The Honourable Sir Edward Benthall: (a) and (b). I am not aware that conditions have as yet improved and I regret that I cannot make any definite statement regarding the future.

ISHURDI-PABNA-SADHUGANJ RAILWAY PROJECT.

695. *Maulvi Abdul Hamid Shah: Will the Honourable the Railway Member please state:

(a) whether there was a project at any time for the construction of Ishurdi, Pabna-Sadhuganj Railway; if so, when and why it has not been taken up till now;

(b) whether he is aware that for want of a railway line and discontinuance of regular steamer service, there has been a great set back to the trade of this locality; and

(c) whether in the list that has been drawn up for post-war reconstruction, there is any idea of including this project?

The Honourable Sir Edward Benthall: (a) The Ishurdi-Pabna-Sadhuganj Railway project was considered for inclusion in the post-war plan in consultation with the Provincial Government, but it was decided not to include it.

(b) It is understood that there has been no discontinuance of steamer services except the temporary suspension, owing to shoaling of the river, of the Sirajganj Feeder service. Government are, of course, aware of the disadvantages to the trade of a locality which is not directly served by a railway line.

(c) No, Sir.

LIGHTING ARRANGEMENTS ON BENGAL ASSAM RAILWAY (METRE GAUGE)

696. *Maulvi Abdul Hamid Shah: Will the Honourable the Railway Member be pleased to state whether lighting arrangements in the passenger coaches of all classes have been made in the Metre Gauge Lines of the Bengal and Assam Railway? If not, when is it going to be made?

The Honourable Sir Edward Benthall: Generally the more important trains have lights in the compartments. The B. A. Railway has experienced great difficulty in providing adequate lighting arrangements in all the trains, but active steps have been taken to improve the supply of train lighting lamps. The position should now improve.

INTER CLASS BOGY FROM SANTAHAR TO LALMANIRHAT ON BENGAL ASSAM RAILWAY (METRE GAUGE)

697. *Maulvi Abdul Hamid Shah: Is the Honourable the Railway Member aware that generally one small Inter class bogy is provided in the Metre gauge line from Santahar to Lalmanirhat of the Bengal and Assam Railway and that the said bogy is generally occupied by the Railway employees who travel sometimes with or without pass for their own private business to the inconvenience of the *bona fide* passengers? What steps are intended to be taken to remove this inconvenience of the people?

The Honourable Sir Edward Benthall: I am informed that on the two passenger trains running between Santahar and Lalmanirhat there is one inter-class compartment for gentlemen and one for ladies. The Railway Administration have not received any complaints that these compartments are generally occupied by railway employees travelling with or without a pass. They have however ordered a special check by the ticket checking staff to ensure that no unauthorised persons occupy these compartments to the inconvenience of the fare paying public.

RE-INTRODUCTION OF WEEK-END AND OTHER RETURN TICKETS

698. *Maulvi Abdul Hamid Shah: Will the Honourable the Railway Member be pleased to state whether Return Tickets and Week-End-Return Tickets will be introduced again? If so, when?

The Honourable Sir Edward Benthall: The question of introducing Return Tickets and weekend return Tickets by such of the Railways as allowed this concession before the War, will be considered by them when traffic and operating conditions return to normal.

In view of the present congested state of passenger travel, it is not considered that the time is ripe for the general restoration of pre-war concessions, which would tend to aggravate the congestion.

URDU SCHOOL TEACHERS GIVEN POST OFFICE WORK IN BERAR RURAL AREAS

699. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state the number of posts in the cadre of the Postmaster-General, and how many of these posts have been filled by Muslims?

(b) Is it a fact that there are District Council Urdu Primary Schools in rural areas in Berar, and that no Post Office has been given to any of these Urdu School teachers and that there is no move to appoint Urdu School teachers as Branch Postmaster?

(c) Are Government aware that in Berar, Marathi School teachers, generally, do not know Urdu, that Urdu School teachers know Urdu well, that letters having been addressed in Urdu are delayed in delivery, that this was brought to the notice of the Postmaster-General, Central Circle, and that no action has so far been taken to improve the situation?

(d) If the replies to (b) and (c) above are in the affirmative, do Government propose to see that Post Offices in rural areas in Berar are given to the Urdu School teachers also?

Sir Gurunath Bewoor: (a) Twelve including one temporary post. There is no Muslim Postmaster-General at present.

(b) The reply to the first part is in the affirmative and to the letter in the negative.

(c) The reply to the first part is in the affirmative. It is a fact that there have been some complaints of the detention to letters with addresses written in Urdu, but instructions have been issued for transcription of the addresses in Sub-Post Offices and for posting Urdu-knowing Postmen in Branch Offices as far as possible. The arrangement has reduced delays. As vacancies occur, teachers of Urdu Primary Schools will receive a larger share of posts as Branch Postmasters.

(d) Does not arise in view of the replies to parts (b) and (c) of the question.

DEATH OF SHAIKH RAMZAN, MAIL GUARD, R. M. S., J-DIVISION

700. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that in 1943 one Shaikh Ramzan, Mail Guard of the Railway Mail Service J-Division, was compelled to work in the running train in the Railway Mail Service Section while he was ill and that he died in the mail van?

(b) Has any compensation or pension been granted to his dependents?

(c) Has any of his sons been provided in the Posts and Telegraphs Department?

(d) Is it a fact that the supervising officer did not travel in the mail van?

(e) Is it a fact that according to rules, the Railway Mail Service Supervising officer while travelling must travel in the mail van?

(f) If the replies to (a) to (e) above are in the affirmative, what action has been taken against the Railway Mail Service officer?

Sir Gurunath Bewoor: (a) The facts are not as stated. Mohd. Ramzani (not Shaikh Ramzan), Mail Guard, travelled in the mail van in the ordinary course of his duties. It is reported that he got sun stroke on the way and he died in the van while returning to his headquarters.

(b) Yes.

(c) Action is being taken to provide employment in the Department for the eldest surviving son of the deceased, according to his qualifications.

(d) Yes.

(e) According to the Rules of the Department the Supervising Officer travelling on duty is required to travel in the mail van if it is a sorting section and not if it is a transit section.

(f) Departmental proceedings have been instituted against the official at fault.

OFFICIATING DEPUTY SUPERINTENDENTS IN CERTAIN POSTAL CIRCLES

701. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that there is no Muslim Inspector of Post Offices or Railway Mail Service officiating as Divisional Superintendent in the Bihar and Orissa and Madras Circles?

(b) Is it a fact that one Inspector of Post Offices of the Bombay Circle was deputed to officiate as a Divisional Superintendent in the Central Circle some three years ago? If replies to (a) and (b) above are in the affirmative, why was not a Muslim Inspector of Post Offices from the United Provinces Circle deputed to the Bihar and Orissa Circle and from the Central Circle to the Madras Circle?

Sir Gurunath Bewoor: (a) The position is not exactly as stated by the Honourable Member. Two Muslim Inspectors are officiating in the grade of Superintendents of Post Offices and R. M. S. in the Bihar and Orissa Circle at present.

(b) The reply to the first part is in the affirmative. The latter part does not arise, I may add that postings are not made on communal grounds and the posting of the Inspector from the Bombay Circle in 1941 was not made on communal grounds.

APPOINTMENT OF INDIAN ARMY POSTAL SERVICE MEN IN CIVIL POST OFFICES

702. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that many of the Lieutenant, Captains and some Majors of the Indian Army Postal Service are purely from clerical cadre of the Posts and Telegraphs Department and that they have no experience of the work and administration of the Civil Post Offices?

(b) Is it a fact that there is a move to absorb the aforesaid officers though they had a very bad record in the civil and that they have been amply paid for the risk taken by them in the shape of huge salaries?

Sir Gurunath Bewoor: (a) It is a fact that some officials from the clerical cadre of the Indian Posts and Telegraphs Department deputed to the Army Postal Service have been promoted to Commissioned ranks, but all of them have experience of the work and administration of civil post offices.

(b) These officers already hold permanent posts in the Posts and Telegraphs Department and will revert to them on discharge. Many of them had very good records in their civil employment and information is not immediately available whether any of them had unsatisfactory records.

NECESSITY OF IMPROVEMENT IN LOT OF POSTS AND TELEGRAPHS EMPLOYEES

703. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if Government are aware that efficiency in the Posts and Telegraphs Department has deteriorated?

(b) Are Government aware that remuneration paid to the men in the Posts and Telegraphs Department is not in proportion to the risk and labour involved in the service?

(c) Is it a fact that the time test prescribed is out of date and requires revision?

(d) Is it a fact that the Government made huge profits in the Posts and Telegraphs Department during the last four years and that no action was taken to ameliorate the lot of the Posts and Telegraphs employees?

(e) If the replies to (a) to (d) above are in the affirmative, do Government propose to appoint a Committee consisting of three non-official members of this Assembly and three retired Postmasters General to examine the whole situation and to suggest ways and means to improve the lot of the Post and Telegraphs employees?

Sir Gurunath Bewoor: (a) Yes, to some extent owing to the conditions created by the war.

(b) I cannot agree with the statement made by the Honourable Member but the Honourable Member is, no doubt, aware that Government have decided to appoint a Commission predominantly non-official in character to examine the whole question of scales of pay in all Departments of the Central Government.

(c) No.

(d) The working of the P. & T. Department as a commercial Department resulted in a surplus during the last four years. It is not a fact that the Department took no action to ameliorate the lot of its employees. Grant of Dearness and War allowance and provision of cheap food grains through Departmental shops in some areas are instances of the action taken by the Department in this direction.

(e) The Honourable Member is referred to the reply given to part (b) of his question.

DIRECTOR OF TELEGRAPHS

704. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that there are as many as seven out of seventeen Bengali Officers on the Postal side and 80 per cent. Madrasi Officers on the Telegraph Engineering side in the Central Circle and that the latter have monopolised particular stations?

(b) Is it a fact that the appointment of the Director, Telegraphs, was created for the duration of the war and that it is still continuing although the war is over?

(c) Is it a fact that no proper check is exercised on the construction and maintenance work of the engineering side and that false muster rolls are generally maintained?

(d) If the replies to (a) to (c) above are in the affirmative, do Government propose to take steps to shift these officers elsewhere to have the appointment of the Director, Telegraphs, abolished and to have the construction and maintenance work checked frequently by Investigating Officers of the Department?

Sir Gurunath Bewoor: (a) The facts as stated by the Honourable Member are quite incorrect. At present, there are 6 Bengali Officers out of 20 in the Postal Branch and 9 Madrasi Officers out of 25 in the Engineering Branch.

(b) No. The post of Director of Telegraphs was created in the first instance for a period of one year and then extended from time to time. It has now been sanctioned on a permanent basis as it has become absolutely necessary on account of the existing telecommunications developments and the proposed future expansion in the network of telegraph and telephone lines in the Central Circle.

(c) No.

(d) Does not arise but I may add that postings are not made on the basis of province of origin of the Officers.

HEAVY WORK ON INSPECTORS OF POST OFFICES

705. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that the work of the Inspector of Post Offices has increased and that no clerical help is given to them?

(b) Is it a fact that investigations in connection with wireless work are done by Inspector of Post Offices and that they are required to conduct the cases also in the court, in spite of the fact that there are Wireless Inspectors sanctioned in each Circle?

(c) Is it a fact that Wireless Inspectors get a fixed pay and that a major portion of their work is done by the Inspector of Post Offices?

(d) If the replies to (a) to (c) above are in the affirmative, do Government propose to appoint Inspectors of Post Offices in place of the existing Wireless Inspectors and relieve the Sub-Divisional Inspectors of Post Offices from the Wireless work?

Sir Gurunath Bewoor: (a) Yes, to some extent. No clerical help is given to them.

(b) Yes, but only to a limited extent and in exceptional cases.

(c) The reply to both parts of the question is in the negative.

(d) No.

APPOINTMENT OF INSPECTORS, R. M. S., AS DIVISIONAL SUPERINTENDENTS, POST OFFICES

706. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that an Inspector of Post Offices is not appointed as a Divisional Superintendent, Railway Mail Service?

(b) Is it a fact that the Inspectors, Railway Mail Service are appointed as Divisional Superintendents of Post Offices?

(c) Are Government aware that Inspectors, Railway Mail Service, do not know postal work and generally they prove inefficient as Divisional Superintends of Post Offices?

(d) If the replies to (a) to (c) above are in the affirmative, why is this differential treatment being given in the case of Inspectors of Post Offices?

Sir Gurunath Bewoor: (a) Yes, as far as possible.

(b) Yes.

(c) The facts are not as stated and Inspectors of the Railway Mail Service have not proved inefficient as Superintendent of Post Offices.

(d) Does not arise.

FURTHER PROMOTION OF HEAD RECORDS CLERKS IN R. M. S.

707. *Seth Yusuf Abdoola Haroon: (a) Will the Secretary for Posts and Air please state if it is a fact that the highest scope for promotion in the Railway Mail Service is up to the post of Head Record Clerk?

(b) Is it a fact that on the Postal side the highest scope is up to Gazetted Postmasters?

(c) Is it a fact that the Officers-in-Charge of the Bombay Railway Mail Service and Madras Railway Mail Service are from Superintendents cadre?

(d) If replies to (a) to (c) above are in the affirmative why should not the Officers-in-Charge Bombay Railway Mail Service and Madras Railway Mail Service be appointed from Head Record Clerk's cadre so as to give scope to the Railway Mail Service Officials for promotion to Gazetted rank?

Sir Gurunath Bewoor: (a) No.

(b) No.

(c) Yes.

(d) Does not arise.

MUSLIMS IN RAILWAY BOARD

708. *Seth Yusuf Abdoola Haroon: (a) Will the Honourable the Railway Member please state the number of vacancies, including the newly created posts, that occurred in the Railway Board from 1939 to date, how many of them were filled by direct recruitment and how many by getting men transferred from the various Railways, and the number of Muslims among them separately?

(b) How many men were got transferred from the various Railways by mentioning their names in the letters, and how many of them were Muslims?

(c) While putting the demand to the various Railways was any mention about the composition of the members of the various communities made? If so, to what extent was the Railway Board successful in getting men of different communities? If not, why not? What action does the Honourable Member now propose to take to make up that deficiency?

The Honourable Sir Edward Benthall: The information in the form required by the Honourable Member is not readily available and the time and labour involved in collecting it is not commensurate with the value of the results. I lay on the table of the House, however, a statement showing the communal composition of ministerial staff in the Board's office as on January, 1, 1939, and the 28th February, 1946. Communal representation is required to be observed on the total number of direct recruits and has been fully maintained. The percentage of Muslims in the office in all categories has risen from 16 per cent. in 1939 to 24.2 per cent. in 1946.

Statement showing the communal composition of ministerial (Permanent and Temporary) staff of the Board's office as it stood on 1-1-39 and 28-2-46.

Names of service	Europeans		Hindus other than Scheduled castes		Scheduled Castes		Muslims		O. M. Cs.		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
On 1-1-39											
(i) Superintendents	1	14.3	4	57.1	..	..	..	..	2	28.6	7
(ii) Assistants	24	70.6	1	2.9	4	11.8	5	14.7	34
(iii) Clerks (II & III Divns)	57	70.4	..	..	15	18.5	9	11.1	81
(iv) Stenographers	8	58.3	..	..	3	20.0	4	26.7	15
Total	1	0.7	93	67.9	1	0.7	22	16.0	20	14.6	137
28-2-46											
(i) Superintendents	12	66.7	1	5.5	2	11.1	3	16.7	18
(ii) Assistants	142	68.9	1	0.5	47	22.8	16	7.7	206
(iii) Clerks (II & III Divns. B grade)	146	60.3	11	4.5	64	26.4	21	8.7	242
(iv) Stenographers	35	60.3	1	1.7	14	24.1	8	13.8	58
Total	335	63.9	14	2.7	127	24.2	48	9.2	524

MUSLIM SUB-HEADS IN RAILWAY CLEARING ACCOUNTS OFFICE

709. *Seth Yusuf Abdoola Haroon: Will the Honourable the Railway Member please state how many sub-heads, permanent and officiating, were working in the Railway Clearing Accounts Office in March, 1945, and the number of Muslims among them?

The Honourable Sir Edward Benthall: 81 permanent and 112 officiating sub-heads were working in the Railway Clearing Accounts Office in March, 1945. Of these, 4 permanent and 15 officiating subheads were Muslims.

ACTION ON COMPLAINTS AGAINST CERTAIN CATERING CONTRACTORS

710. *Mr. G. B. Dani: Will the Honourable the Railway Member please state:

(a) the number and nature of complaints made by the travelling public against the Hindu Refreshment Room Contractors at Delhi, and the Refreshment Rooms catering for the Hindu Travelling Public on the East Indian, Great Indian Peninsula and Bengal Nagpur Railways during the preceding two years;

(b) the actions taken on those complaints recorded in the Complaint Books and received either by post or by hand, and in case no action has been taken against any or all complaints, the reasons therefor; and

(c) whether those complaints were laid before the Local Advisory Committees; if not, why not?

The Honourable Sir Edward Benthall: (a) The information required is not readily available and the time and labour involved in collecting it would be incommensurate with the value of the results.

(b) Government has no information regarding the action taken on each individual complaint during the past two years at the refreshment rooms on the railways mentioned in part (a), but action is taken by Administrations on complaints which are well founded.

(c) I do not think this is a general practice but it is of course open to any member of the Local Advisory Committee to refer to the complaint book at any refreshment room at which he is being served.

QUESTION OF CATERING BY EUROPEAN AND BY STATE ON RAILWAYS

711. *Mr. G. B. Dani: Will the Honourable the Railway Member please refer to the recommendation of the Central Advisory Council for Railways at page 11 of the Summary of Proceedings of the 14th April 1945, viz. "that the question of European catering and catering by the State should be brought up at a subsequent meeting", and state:

(a) the progress made towards its achievement;

(b) if it is a fact that the administrations are against such a proposal; if not, what views they have expressed; and

(c) the reasons for catering not being taken up by the State and for the renewal of contracts of the Bengal Nagpur, East Indian, Great Indian Peninsula and North Western Railways?

The Honourable Sir Edward Benthall: (a) There has been no meeting of the Central Advisory Council for Railways since its last meeting held on the 14th April 1945. The question of European and State Catering has, therefore, not been discussed so far by that Council.

(b) Does not arise in view of reply given to (a).

(c) The existing instructions to General Managers are that departmental catering should be inaugurated if they consider that this can be done without incurring any financial loss and they have been asked to submit recommendations to the Railway Board. In view, however, of the opinions expressed by this House during this Session the subject will be discussed with the Central Advisory Council in the near future.

ACTION ON REPORTS AGAINST VENDORS ON RAILWAYS

712. *Mr. G. B. Dani: Will the Honourable the Railway Member please state:

(a) the number and nature of complaints made by the travelling public against the licencees for vending foodstuffs; tea, milk and other eatables at

Delhi and on the Bengal Nagpur, East Indian and Great Indian Peninsula Railways;

(b) the action taken on those reports, and if no action has been taken, the reasons therefor; and

(c) if any of the said licences have been sub-let by the licencees?

The Honourable Sir Edward Benthall: (a) and (b). The information required is not readily available and the time and labour involved in collecting it would be incommensurate with the value of the results.

(c) Not to the knowledge of Government.

TAKING OVER OF VENDING ON RAILWAYS BY STATE

713. *Mr. G. B. Dani: Will the Honourable the Railway Member please state, whether Government propose to take over all the contracts for catering and vending on all the Railways from the 1st April, 1946, and work them departmentally? If not, why not?

The Honourable Sir Edward Benthall: As stated in reply to part (c) of Question 711, asked by the same Honourable Member, the question of departmental catering by all Government of India Railways will be discussed with the Central Advisory Council. The creation of catering organisations, if decided on, will take some time to complete and it would in any case be quite impossible for general departmental catering to start by 1st of April 1946.

MAINTENANCE UNITS IN INDIA

714. *Khan Bahadur Hafiz M. Ghazanfarulla: Will the Honourable Member for Industries and Supplies kindly state:

(a) how many Maintenance Units there are in India;

(b) how many of them are being retained by the War Department for their use;

(c) how many of these are going to be disbanded;

(d) how many of these are to be let out on hire, and for what period;

(e) the places which are to be let out;

(f) if it is a fact that the Maintenance Unit at Poona was advertised to be let out for only one year;

(g) whether this Maintenance Unit has been let out; if so, under what terms;

(h) whether the various Maintenance Units at Cawnpore will be retained; and

(i) how many of them will be disbanded, and when?

The Honourable Mr. A. A. Waugh: (a) The Honourable Member presumably refers to the Civil Maintenance units which were set up during the War for repair and maintenance of aircraft. There were 16 such units, of which 6 have been closed down and 6 others are in the process of being closed down.

(b) and (c). The remaining four CMUs are being retained until alternative capacity for work done in them becomes available. These CMUs are located at Kanchrapara, Cawnpore, Dum Dum and Lucknow.

(d), (e), (f) and (g). Only one of these CMUs, namely that located at Poona, has so far been advertised for hire for a period of one year. It has not actually been let out yet.

(h) and (i). There is only one Civil Maintenance Unit at Cawnpore, which will be disbanded as soon as alternative capacity is available.

UNSTARRED QUESTIONS AND ANSWERS

MANUFACTURE AND CONSUMPTION OF PAPER

61. Mr. Vadilal Lallubhai: Will the Honourable Member for Industries and Supplies please state:

(a) the quantity of printing paper, both imported and manufactured in India during the last and the current financial years;

(b) what quantity of printing paper is consumed by Government, and what is the nature of such consumption; and

(c) what quantity of printing paper is allotted to newspapers?

The Honourable Mr. A. A. Waugh: (a) I place on the table of the House a statement showing the quantity of printing paper both imported and manufactured in India during the last financial year, *viz.*, 1944-45 and the first nine months, (April to December) of the present financial year. The import figures include also newsprint. Newsprint is not produced in India.

(b) The estimated consumption of printing paper by Government during the current financial year is about 42,000 tons. Printing paper is used for the printing of forms, publications, circulars and departmental records, publicity material etc. It is also often used for writing purposes.

(c) At present 2,565 tons of newsprint per month are allotted to newspapers printed on newsprint. With regard to paper other than newsprint a system of quantitative allotment of this kind of paper to each newspaper, as in the case of newsprint, is not in force. The quantity of paper consumed by each newspaper printed on paper other than newsprint depends on the number of pages which it is entitled to print under the provisions of the Paper Control (Economy) Order, and its circulation.

*Statement showing the quantity of Printing paper
Both Imported and Manufactured in India during the last and the present financial years*

Description of paper	April 1944 to March 1945 (12 months)		April 1945 to December 1945 (First 9 months April to December 1945)	
	Imports	Production	Imports	Production
	Tons	Tons	Tons	Tons
Printing Paper including Newsprint	23,700	51,262*	27,919	36,373*

*Excluding news print as it is not manufactured in India.

EXPORTS TO AND IMPORTS FROM EAST COUNTRIES AND EAST AND SOUTH AFRICA

62. Sardar Mangal Singh: Will the Honourable Member for Industries and Supplies please state:

(a) what articles are now being exported to the middle and near East countries and East and South Africa this year with particular reference to Iran; and

(b) whether any articles are being imported from the above countries?

The Honourable Mr. A. A. Waugh: The question will be answered by the Honourable the Commerce Member on the appropriate day.

THEFTS FROM LUGGAGE VANS OF PASSENGER TRAINS

63. Sri V. Gangaraju: Will the Honourable the Railway Member please state:

(a) the number of thefts from the luggage vans of passenger trains on the State Managed Railways during 1945;

(b) in how many cases compensation has been paid or not paid;

(c) whether sufficient enquiry has been made and with what results; and

(d) what steps have been taken to effectively check such thefts of public property?

The Honourable Sir Edward Benthall: (a) and (b). The information asked for is not readily available and the time and labour involved in collecting it would be incommensurate with the value of the results.

(c) Yes. Investigations are made into such cases by Claims Inspectors and the staff of the Watch and Ward, and preventive action to avoid recurrence is taken wherever possible.

(d) Preventive action has been taken to reduce the incidence of theft, including the provision of extra supervising staff, the strengthening of the Watch and Ward organisations of Railways, the appointment of extra chowkidars, and insistence on effective locking of Luggage and Brake Vans.

EXTENSION OF MYSORE-CHAMARAJNAGAR RAILWAY LINE

64. Mr. R. O. Morris: (a) Is the Honourable the Railway Member aware that the extension of the Mysore-Chamarajanagar Railway line to Coimbatore or Mettupalayam is considered of great importance for both goods and passenger traffic, and that this line would serve a fertile area in the Coimbatore District at present suffering from bad road communications?

(b) To what extent are the Mysore Government prepared to meet the cost of constructing this important link?

The Honourable Sir Edward Benthall: (a) The traffic survey of the Chamarajnagar-Coimbatore line conducted in 1940 which takes account of the probable goods and passenger traffic, road communications, etc., has been examined in the Railway Board's Office, and although no final conclusions have been drawn, the project appears to be unremunerative.

(b) The Mysore Government have not so far indicated the extent to which they are prepared to meet the cost of constructing this link.

JURISDICTION OF CENTRAL ADVISORY COUNCIL FOR *RE* RAILWAYS GRANT OF CATERING CONTRACTS AND VENDING LICENCES

65. Sri S. T. Adityan: Will the Honourable the Railway Member please state:

(a) whether the grant of contracts for catering and of licences for vending on Railways to contractors is a subject within the purview of the Central Advisory Council for Railways and also of the Local Advisory Committees for Railways; and

(b) whether the said committees have power to cancel the grant of a contract or licence made by a Railway Administration?

The Honourable Sir Edward Benthall: (a) No. The Central Advisory Council for Railways and the Local Advisory Committees for Railways are advisory bodies.

(b) No.

RENT-FREE QUARTERS TO INFERIOR RAILWAY SERVANTS

66. Seth Sukhdev: Will the Honourable the Railway Member be pleased to state:

(a) whether it is a fact that the Railway staff in inferior and labour services are entitled to rent-free quarters, if available, provided their pay is below Rs. 30 per month;

(b) whether Government are aware that at several big stations on the North Western Railway a sufficient number of Railway quarters are not available for the class of staff referred to in part (a) above, with the consequence that discrimination prevails inasmuch as some of the employees get rent-free Railway quarters, while others have to pay rent for private accommodation;

(c) what steps Government propose to take to eliminate discrimination between individuals in the matter of rent-free quarters referred to in part (b) above; whether Government's policy includes construction of more inferior quarters immediately;

(d) if the reply to (c) above be in the affirmative, what provisions have been made for such a construction during the financial year 1946-47; and

(e) if the reply to (c) above be in the negative, whether Government have decided upon a long-term policy of inferior staff quarters construction programme; if so, whether the Honourable Member proposes to make a short statement on the subject?

The Honourable Sir Edward Benthall: (a) The Honourable Member is referred to my reply to Starred Question No. 1405, asked by Lala Sham Lall, on 28th March, 1945, particularly to part (a).

(b) Yes, at certain big stations quarters available for inferior staff are insufficient. In view, however, of the definite principles adopted for determining priority of claims when dealing with applications for quarters, as given in the question and answer referred to in my reply to part (a) of this question, it cannot be said that discrimination prevails.

(c) The reply to the first part does not arise in view of the reply to Part (b). The construction of more quarters for inferior staff forms one of the postwar schemes on railways.

(d) and (e). None, but the Railway Administration is contemplating the construction of 3,746 units inferior quarters during the quinquennium 1947-48 to 1951-52.

CONTROL CIRCUITS ON NORTH WESTERN RAILWAY

67. Seth Sukhdev: (a) With reference to the reply to part (a) of Lala Sham Lal's starred question No. 1293 asked on the 28rd March, 1945, to the effect that the North Western Railway Administration were splitting the Karachi-Pad Idan Control Circuit into two with Kotri as a point of division, will the Honourable the Railway Member be pleased to state whether the decision has since been carried out? If not, what are the reasons therefor?

(b) What steps are being taken, in general, to reduce the control circuit lengths to about 100 miles? If none, why?

(c) Is it a fact that a provision for about Rs. 2½ lakhs has been made in the 1946-47 budget under "Open line Programme" to have a control office with staff quarters at Bahawalnager? If so, why was not splitting of Karachi-Pad Idan control circuit given preference?

(d) What other Sections on the North Western Railway are to have control circuit in the near future?

The Honourable Sir Edward Benthall: (a) The reply to the first portion is in the negative. As regards the latter portion, the work will be carried out as soon as the new control office building is completed.

(b) No steps are being taken in general, as the length of the circuit is not the controlling factor for effective control, but the number of stations and the density of traffic.

(c) The reply to the first portion is in the affirmative. As regards the latter portion; Government are informed that the additional control circuit Bhatinda-Samasata, with the control office at Bahawalnagar, is being provided as part of the All-India Railways' Tele-communication Scheme. The question of priority does not arise as both the schemes are running concurrently.

(d) None, but the programmed work consists of improvements in existing circuits.

LACK OF FACILITIES IN GOODS TRAIN GUARD'S VANS

68. Seth Sukhdev: (a) Will the Honourable the Railway Member be pleased to state whether he is aware of the fact that general discontent prevails amongst the Goods Train Guards on the North Western Railway in regard to the design of their brake vans, which lack facilities in regard to:

(i) privacy in latrines, (ii) water taps, (iii) electric lights, (iv) sufficient sitting accommodation, and (v) safe footboards?

(b) What steps do Government propose to take to put a new design of goods brake vans in service with amenities referred to in part (a) above? If not, why not?

The Honourable Sir Edward Benthall: (a) Government understand that Goods Train Guards have a sense of grievance in regard to this matter.

(b) The provision of a separate latrine compartment is not considered necessary, as the guard is the sole occupant of the brake van. Facilities for filling overhead tanks being absent water taps cannot be arranged, but Goods Brake Vans are provided with a stand for an earthenware vessel for water.

Electric Lighting cannot be maintained in working order in Goods Brake Vans but in the present standard design of Brake Vans, oil burning side lamps are arranged to illuminate the inside of the van. In addition, a bracket is fixed for the guard's hand signal lamp so as to provide additional local illumination.

The present standard design of Goods Brake Van is provided with two stools and two seats and an improvement in the arrangement of foot boards has recently been effected.

THE GENERAL BUDGET—GENERAL DISCUSSION—*contd.*

- FIRST STAGE—*contd.*

Mr. P. J. Griffiths (Assam: European): Mr. President, finance is to most of us a dull and somewhat dreary subject and we are not accustomed to look in the speech of the Finance Member for emotional colour or warmth. This year, however, right at the commencement of the Honourable Finance Member's speech he struck an emotional note in complete harmony with all our thoughts and all our aspirations, for he began by expressing the hope and the belief that this would be the last budget introduced by a British Finance Member and that before the next budget came out, this country in the sphere both of finance and other matters would have passed entirely into Indian hands. That is a hope which we in this Group share to the full. We share it not because we necessarily believe that an Indian Finance Minister will be more faithful to the interests of India than British Finance Members have been in the past, for indeed we believe that British Finance Members have been faithful to the uttermost in the discharge of their duties to India. But we share this hope because we believe that self-government for India today is not only right, but overdue.

Passing on from the expression of that hope, the Finance Member painted for us a picture of our main enemies within the gate, the enemies of ignorance, squalor, disease and poverty, and rightly set up the chance of vanquishing these enemies as one of the tests by which we must judge the success or otherwise of any budgetary proposals. There, too, we are in entire agreement with him. It seems to us that there are two twin tests that have to be applied to any budget. First, does it directly or indirectly help to remove poverty and to raise the standard of living; secondly, is it so framed as to contribute generally to an increase in national wealth and prosperity? These two twin objects are not identical. Economy can be so planned that the standard of life of the poor is not raised even though the national wealth is increased and, conversely, an economy can be so planned that the standard of life of the poor is raised only at the expense of other classes and not, as it should be raised, by a general increase in national wealth and prosperity. To apply either of these tests alone is partial and unsatisfactory. The two tests have to be applied together and we propose to examine this budget with those two tests as our background.

These two tests lead on to four questions which have to be answered. First, we have to consider what is the present financial position of India. Secondly, we have to examine whether this object is one which will encourage that expansion of industry and agriculture on which most of our hopes depend. Thirdly, we need to consider whether this budget will succeed in exercising

some degree of control and regulation over the process of deflation and, finally, we have to consider its effect on the general economy of the country and the extent to which it succeeds in spreading the burden.

Let me begin by examining India's general financial position. I think I can say without fear of contradiction that one of the respects in which India has cause to congratulate herself is that she emerges from this war with a financial position far stronger than she had ever before. With the external debt entirely extinguished, with her unproductive internal debt only 500 crores odd and with external assets greatly in excess of that unproductive debt, she occupies a position which must be the envy of most of the belligerents in the great war. Her international credit stands high, higher than ever before. And, apart from that, the stage is set for her to take her place as the greatest industrial power in the East. The measures which will have to be taken against Japan, and which are being taken even now, will necessarily put Japan back in the race and they will give a chance to India of attaining the foremost place and establish herself as one great industrial power in the East. When I speak of India's strong position, I am not ignoring the misery and the suffering which this war has brought to India in its train. I am not ignoring the hundreds and thousands of deaths,—for those deaths which no money and no wealth can compensate. I am merely dealing with the fact that in the financial sphere India has established for herself an extremely strong position. One effect of that position is that her capacity for borrowing is great and it may well be indeed that her capacity for borrowing is greater than her capacity for expansion of taxation. That is a point to which I shall refer later because it may have much bearing on the whole question of budget proposals.

I come now to the revised estimates for the current year and here I have three comments to make, one of which is complimentary and the other two of which are slightly, only slightly, uncomplimentary. I think we should, in the first place, compliment the Finance Department on the extremely accurate budgeting which they achieved in the year still current. If you examine the different budget heads of estimates, you will find the difference between them and the original estimates remarkably small. I question whether there has ever been such an accurate budgeting in the past. On the other hand, it does give rise to one strange thought in our minds. The budget was framed with the expectation that the war would last throughout the year, but the war did not last throughout the year—it terminated about the middle of it and one would have thought, therefore, that the budget estimates would be wholly falsified. That has not happened because we have not yet effected the switch-over from war economy to peace economy. I am not making that a ground of complaint. I realise perfectly that a switch-over of that kind cannot be made in the course of a few weeks and that some time lag is inevitable. What I want to urge on the Honourable the Finance Member is that the time taken must not be more than is absolutely necessary.

And that brings me to my second comment, which is one of disappointment at the fact that the defence expenditure has not come down more during the current year than has actually been the case. The Finance Member himself in his speech remarked that to some this might occasion surprise and disappointment. I think I can say fairly that we in this Group are amongst those to whom surprise and disappointment have been occasioned. We do realise that the benefits to be paid to the services on discharge or release form a considerable item in the revised estimates. At the same time, we do think that the Finance Member should give his utmost possible attention to getting the switch-over made as soon as possible and to effecting at as early a date as possible, a considerable reduction in the defence expenditure. This, of course, is very much linked with the question of demobilisation. That question is described in the Explanatory Memorandum of Defence as being a gigantic task. Well, Sir, in one sense it is a gigantic task, but it is no more a gigantic task for India than it is for the other countries in the world which are undertaking it at a rather more rapid rate. I am not quite clear that the Honourable the Finance Member or

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his Department had in mind when they spoke of this as being a gigantic task. Were his Department thinking primarily in terms of the mechanics of demobilisation or whether they were thinking more in terms of the absorptive capacity of the country or, the progress of schemes for resettlement and rehabilitation. As far as the mechanics of demobilisation are concerned, the figures which have been given to us show that about 2,000 men are demobilised every day. Well, Sir, that is certainly a fairly large task, but it is not a task which ought to be beyond the capacity of Government. If that were the only limiting factor, then in my view demobilisation ought to proceed faster. But of course, it is not. We, in this Group, certainly do not press that demobilisation should proceed quite regardless of schemes for resettlement and rehabilitation. What I would ask the Honourable the Finance Member, or perhaps it ought to be the War Secretary, is—is it resettlement that is the bottle neck? Is he satisfied that the machinery for resettlement is adequate? For our part we doubt it. I should like to know, for example if there are enough training centres, and generally speaking if enough energy is flung into this business of resettlement? Has anything been done, for example, on a big scale to resettle men on the land either individually or collectively? On all these matters, we would like to have a statement to satisfy us that the work of resettlement, which is perhaps the prime duty for any Government at the moment, that that work is receiving adequate attention and adequate drive?

That leads me naturally to the question of the other form of demobilisation, namely demobilization of property. We, in this Group, will perhaps have more to say about this at a later stage in this discussion. But we are not yet satisfied with the progress of release of requisitioned properties. We are told that delay, is, largely due to lack of trained valuers. We know that lack of trained valuers has been the chief difficulty all through the war and this lack of valuers has been a very serious hampering factor in the whole business of requisitioning. But we feel that more trainer valuers ought to be recruited now so that the business may be hurried through. We hope too that in those cases where the requisitioned property has deteriorated, Government will show greater promptitude in future than in the past in disposing of the claims for compensation which will arise.

Another somewhat similar matter with regard to which more expedition seems to be required is that concerning the disposal of surplus stores. We want Government to hurry up. We know there are difficulties. We know they have to conclude negotiations with other countries, but we want them to the utmost of their ability, to hurry up. It is right and proper that in the disposal of these stores, the Government Departments here and the provincial governments should have the first peck, and that after this has been done, generally speaking organised bodies and Associations, particularly those which are responsible for the welfare of labour, should have the second bid. Many of these bodies—for example the body that I represent myself, the Indian Tea Association—are anxious to buy medical stores and equipment on a large scale for the purpose of labour welfare. Up to now, we can make no progress, we cannot get lists, we cannot be told what the prices are, we do not know where the material will be available, we do not know when the material will be available, still less do we know where we shall have to take delivery. We do want the Government to try and expedite this business as fast as they can. We attach even more importance however to their seeing that those kinds of materials which are required for nation building activities do get into the right hands and that they are not allowed to get into the hands of contractors who will resell them at great profit.

One other suggestion, in this connection, is that it might be even wise if possible to recondition most of this equipments,—and here I speak not so much of medical equipment as of motor vehicles—before selling them. As long as these things are sold in very different conditions, some good, some bad and

some indifferent, the door is wide open for corruption. It is bound to mean that stuff which is really good will be knocked down for a low price on the plea of bad condition. I have not examined this question in detail, and I am only making a suggestion which may be worthy of consideration and which might limit corruption as far as possible. The suggestion is that stores should be reconditioned before being made available for disposal.

Now, Sir, turning to the civil estimates, I notice that apart from the grant to Bengal, there is an increase in expenditure of 4½ crores over the original estimates. We have tried to examine that in more detail, and on the whole we are satisfied that it is reasonable. It is concerned mainly with such matters as the strengthening up of the administrative and preventive staffs for Central Excises, (a measure which we fully approve) and also with measures for in the development of nation building activities. We are inclined to regard this increase as being reasonable.

There are two points in the remarks made by the Honourable the Finance Member with regard to current estimates which I should like to comment upon. The first is the remark on the subject of controls and their relaxation. We in this Group have an instinctive dislike of controls. We believe that the United Kingdom's growth of prosperity and greatness was largely due to lack of interference on the part of the Government. We believe that that system, that lack of unnecessary interference does provide for most countries—and will provide for India—the conditions under which prosperity can be most rapidly attained. At the same time we do recognise perfectly well that you cannot have that freedom from control in time of war; in time of emergency controls become essential. But the danger is that controls which are introduced in times of war, for emergency purposes, are continued long after the emergency has passed. Speaking as an ex-bureaucrat myself, I say, in no sense of disrespect to my former colleagues, that the plain fact is this, that officials do enjoy exercising control. Once the power of regulation, once the power of control gets into their hands, there is a natural reluctance to part with it. I do ask the Honourable the Finance Member to see to it that these controls are not kept on longer than they are required. I think the time has come when a rigorous and searching examination as to which of these controls are still needed should be undertaken. Many of them may still be needed,—that I recognise quite frankly—but the time has come for an examination. There is another point to which I should like to refer with regard to controls. That is, that controls which were introduced for one purpose must not be used for entirely different purposes. We do not want to see controls which were introduced for guaranteeing supplies to the community during the war, we do not want these controls used to advance particular economic theories. If Government for their own reasons or for the implementing of their own theories want to have controls then they must come before this House with proper legislation, and let us consider it in this House. But do not let controls which were meant as war controls, be used for entirely different purposes. We shall have more to say about this at a later stage when we shall probably raise the question of import controls. Quite apart from these economic controls, there are other administrative controls which seem to us to be entirely out of date. Take for example, trunk calls on telephones. Why should there be military priority now for trunk calls on telephones? I have had occasion to put an urgent business calls from Calcutta, but I had had to wait for two days because the line was engaged by the military. Does this House now accept the position that military work is more important than rehabilitating business and commerce? I put it to the Honourable the Finance Member and to his Colleagues that the time has come when there should be no automatic military priorities. Naturally there must be priorities for emergency use, but there must not be any more automatic military priorities. As regards passages on civil planes, I agree something has been done in the direction of making a

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larger proportion available for civilian use—but, again I ask why should the military have any priority in aeroplanes today?)When war was on it was reasonable to assume that military business was more urgent than civilian business. That assumption is now untrue. The most urgent job in this country today is to rehabilitate our financial, commercial and general economic life and I claim therefore that those purposes demand a higher priority than any of the normal peace-time purposes of the armed forces of the Crown.

The next point for comment in the Finance Member's speech is that relating to the question of the use of ordnance factories. We are told that these ordnance factories are going to be used for production of civilian goods in short supply. If that is merely a short term policy, in view of the great scarcity of consumer goods we can of course have no objection to it. But if it were meant as a long term policy, we should take the strongest objection to it because in our view, it is neither sound for the country nor for any section of the country, that Government should enter into trade or become producer and thus enter into competition with commercial traders. I should like to have an assurance from the Honourable the Finance Member at the proper stage, that this is purely a short term policy. He might also find it worth while—or perhaps his Colleague, the Honourable Member for Industries and Supplies might do so—in connection with suggestion—that stores and equipments should be reconditioned before sale, to consider having this done in the ordnance factories. Here again this is a problem which is too technical to justify dogmatism.

Turning now to the estimates for 1946-47, I think it is fair to say that if there is any kind of trade revival of the sort that we expect, receipts have probably been under-budgeted and I imagine that the Honourable the Finance Member himself is fully aware of this, and has wisely and conservatively taken care to under estimate. I think it is probably also true that expenditure has been under-estimated. I have very little doubt that during the course of the coming year we shall have to face considerable increases in payment on account of wages in, for example, the Posts and Telegraph Department. In various items of that kind time will show the estimates to have been under-budgeted.

There is one point with regard to the estimates about which I am not quite clear and on which I would like to ask for information. Reference is made at one point to the maintenance of a contingent in Japan. I am not quite certain whether that is covered by the general financial settlement or whether that constitutes additional expenditure. I am not expressing any views on this point, but I would like that point to be clarified.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): We don't want to pay for them.

Mr. P. J. Griffiths: That is a question on which I do not wish to say anything on this occasion; I would like to have another opportunity to deal with it.

This leads us to the general question of financial settlement, and here quite frankly—I am not disguising my feelings—I approach that settlement with mixed feelings. In so far as my interests are in, and bound up with, this country, I rejoice at a settlement so favourable to India, but in so far as I am a Briton, I cannot help feeling that India has succeeded—very largely due to the first class work done by the previous Finance Member—in driving a hard bargain with Britain. We in this Group consider that the financial settlement is one which is very favourable to India. I do not say it was unduly favourable to India when it was first made, but it became favourable when Japan entered into the war. At this stage, the war to India really assumed different proportions and it became in a most real and practical sense India's war. We therefore regard that settlement as being very favourable to India and as our interests are bound up with the interests of India we are glad to know that it is being continued for another year.

Another point made by the Honourable the Finance Member with regard to the estimates was a reference to his intention of restoring budgetary control in the normal sense as soon as possible. He has our full support over that. We shall not be happy until budgetary control in its entirety is restored as it used to be before the war.

I would like to raise another point at this stage which I think is of some importance, and that is the question as to whether in all his plans for the future the Honourable the Finance Member is perhaps not depending insufficiently on borrowing. We have before us very large schemes of planning and development, schemes which are vital to the welfare of this country. It seems fairly clear to us that those schemes will have to be financed very largely by borrowing. We believe that the borrowing capacity of this country is great, whereas we are inclined to think that its taxable capacity has now somewhere about reached its limit. I do hope, therefore, that in his reply he will let us know his views on this matter and will tell us how far he agrees with the principle that in future borrowing should play a larger part in the Finance Member's plans.

This of course leads us on to the question of the small savings movement. We in this Group regard that movement as of extreme importance from every point of view; quite apart from its value in contributing to public finance, it has a far deeper and more important social value for those who are persuaded to invest in it. We know that this movement has sometimes been attacked on the ground that it leads to pressure, that the local Sub-Inspector of Police goes on and says to so and so "you must put so much into the Small Savings Movement". We know this happens in some places at some times

Babu Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan):
Everywhere.

Mr. P. J. Griffiths: But not everywhere. I know Provinces where it does happen and Provinces where it does not happen. But in spite of that we still think that on balance this Small Savings Movement is of great importance to the future of this country, and we trust that it will be retained not only for war purposes but as a permanent part of the economic life of the country. It may well be that if the Movement is to be retained in some more permanent form, some kind of simplification will be required in the procedure which has to be followed in taking or cashing the certificates concerned. At present the procedure is rather cumbrous. It is not easy to say how you can avoid some of the cumbrous conditions without risk of misidentification, but I do suggest that an examination might be made as to whether the procedure can be simplified without undue risk or not.

This talk of loans naturally leads one to sterling balances. I do not propose to discuss this in detail because we have just discussed them, and I have not the least doubt that we shall discuss them time and time again in this House before we finish with them. I agree with the Finance Member that the settlement of that debt must be a bilateral matter between Britain and India. We do not need outside intervention in settling these sterling balances between Britain and ourselves. I agree to with my Honourable friend, Mr. Tyson, that in reality that debt will have to be met by goods and services, and that the reasonable, satisfactory and expeditious payment of that debt depends, above all, on the maintenance of British trade in and with this country. The maintenance of that trade is the best guarantee for the speedy repayment of sterling balances.

I am glad that the Honourable the Finance Member dealt with the question of dollar pool, and I hope he succeeded in dispelling that misconception which seems to exist in the minds of so many that a vast accumulation of dollars was due to India. I trust that the Finance Member has been able to dispel that misconception even from the mind of my Honourable friend, Mr. Manu Subedar. The other day my Honourable friend, Mr. Manu Subedar, seemed

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to cast some doubt on the figures given by the Honourable the Finance Member. Quite frankly if I have to choose between the figures given by my Honourable friend Mr. Manu Subedar and the figures given by the Honourable the Finance Member, I should prefer those given by the Finance Member, because I have not noticed in the utterances of Mr. Manu Subedar's in the past, any exaggerated tendency towards accuracy.

Sri M. Ananthasayanam Ayyangar (Madras Ceded Districts and Chittoor: Non-Muhammadan Rural): You trust the Finance Member.

Mr. P. J. Griffiths: I don't trust anybody very much.

Surely the real point is, that, rightly or wrongly, whether you like or whether you don't like it, India was in the war, and that all resources of all kinds had to be mobilized for winning that war. The mobilization of dollars was no more wrong, nor more fantastic, nor more outrageous than the mobilization of everything else. Every resource we possessed, had to be mobilized and was mobilized for the one purpose of winning the war, a war defeat in which would have meant the end all our aspirations.

Sri M. Ananthasayanam Ayyangar: You mobilized yourself.

Mr. P. J. Griffiths: My community was mobilized more than any other.

I pass on then to another point—planning and development. We are still not very clear—may be it is our fault—as to what the real functions of the Planning and Development Department are. Is it just a policy-making department, or is it also a co-ordinating department. If it is a co-ordinating department, what is the mechanism through which this co-ordination takes place. I say this in no offensive spirit, but when one looks at the Government of India and even one looks at its activities in this House, you would not suspect that there was any co-ordination at all. But in the sphere of Planning and Development Department co-ordination is very necessary and we should like to know how co-ordination is effected and if, in fact, other departments are playing ball with the Planning Department. We will have more to say about this at a later stage in the Budget discussion. But this is the kind of thing I have in mind. Supposing I go to the Planning Department and discuss with them the desirability of setting up a factory of a particular kind, and they encourage me to do so. In connection with setting up that factory I then need an import licence of some kind, and for that I have to go to the Commerce Department. I may or may not get that import licence. The question is, what mechanism there is to ensure that if the Planning and Development Department or the Industries Department, or whatever the department may be, sponsors the setting up of a certain kind of manufacture or commerce, the necessary departmental support will be forthcoming for that proposal from the other departments? We want to be certain that in these development matters, the thirteen or fourteen different departments of government are not pulling in thirteen or fourteen different directions. I see that the Honourable the Finance Member is relying on the various development schemes and particularly on the provincial five-year plans to fill the gap in industrial development. I agree with him as to the importance of using them to fill that gap, but I hope he is not relying on them too implicitly, because many of us have considerable doubts as to how far the provinces will go ahead with these five-year plans. There are efficient provinces—at least I hope so—and there are inefficient provinces—of that I am certain. There are provinces which have poor resources, and there are provinces which do not want to use their resources. I only hope that in a year's time from now, the Finance Member's successor will not have to come to this House and say "I am very sorry the provincial schemes did not get going and that they did not play their part in bridging the gap in industrial development." It will be of interest if we could be given an idea as to how far plans have at present reached. We know a list of schemes has been submitted. I do not think we are told anywhere in the papers what is the value of the schemes and how far sanction has been accorded to them. If we can have more details

The Honourable Sir Archibald Rowlands (Finance Member): Rs. 52 crores.

Mr. P. J. Griffiths: Thank you very much. We should also like to be told in detail at some stage how these various plans stand.

I pass to the proposed subsidized housing scheme of the Finance Member. That scheme has our entire approval. At the same time we know it has been said by some experts that the experience of the United Kingdom was that the higher the subsidy the higher the cost of the house. However, we do in general terms approve of this subsidizing scheme, though we would like to emphasize the fact that far more important than any subsidy is the availability of the materials required for building. It is no use having a subsidy if you cannot get the cement or the steel. We would like to be assured that cement would be released fast enough for all these building schemes. We would like to have a guarantee that steel would be made available to *bona fide* builders. In general terms, what we want is relaxation of controls as soon as possible, but as long as those controls have to be maintained, we want to be certain that the *bona fide* builder will get his steel and his cement.

The next point of importance in the Finance Member's speech related to the Indian Finance Corporation. I am not going to talk about that for one very good reason. I have made it a rule of my life not to talk about things when I know nothing about them. So far we know nothing about the details behind this proposal. We shall therefore reserve our views until we know more about them.

I pass on to the question of the National Investment Board. Here, too, we cannot express a final view until we know in far more detail what the Board is intended to do. I might as well say that our first instinctive reaction to the Board is one of suspicion. That suspicion arises not so much when I read the relative sentence in paragraph 85 of the Finance Member's speech which speaks, I think, of securing the fullest and most advantageous utilization of the economic resources of the country—put like that it sounds all right—but my suspicion is more aroused when I come to the first sentence in the next paragraph. It says "It control over investment is to be made more effective". . . . such and such things will have to be done. Does India really want control over investment to be made more effective? Does not that suggest the dead hand of Government lying over everything? Does not that mean cramping initiative, interference with development and all the delays which we have grown to associate with Government control and interference of any kind. I believe that most of us in this House want—and I know my views will be shared by most of the Congress Benches—we want to get as near as we can to a free capital market.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): What?

Mr. P. J. Griffiths: As soon as possible to a free capital market. I was not thinking of Prof. Ranga when I said that!

Prof. N. G. Ranga: Do not talk of most of us!

Mr. P. J. Griffiths: I leave my friend to argue which way the minority lies.

Prof. N. G. Ranga: Speak for yourself.

Mr. P. J. Griffiths: Linked with this is the question of control of capital issues. This was started as a war measure. We want to make certain that it is not going to be used for entirely different purposes. We are not altogether satisfied that use of the Defence of India Rules in this connection is proper. We know it is legal. We are not quite certain that it is altogether proper. There is one questions I would like to put to the Finance Member, and I put this question not dogmatically, but in a spirit of enquiry, for, I said previously I am the one Member of this House who does not profess to know much about economics. If capital is coming forward so freely that some kind of control is required, do we really need an investment board? Are not the

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two things to some extent contradictory? In any case I would like a declaration of policy in regard to this control of capital issues. What is the purpose for which it is meant? Is it meant for the protection of shareholders? Is it still meant as a control of inflation? Is it meant as part of introducing a planned economy?

Prof. N. G. Ranga: That is it.

Mr. P. J. Griffiths: If it is so, then I suggest to the Honourable the Finance Member that it is best not done under the Defence of India Rules. It is best done under legislation properly discussed in this House.

The Honourable Sir Archibald Rowlands: Certainly.

Mr. P. J. Griffiths: I do not wish to discuss a planned economy though I shall say much about it at the proper stage. It is not altogether wise to take a control which was introduced for war purposes and to proceed to use that not only for a planned economy but for the particular kind of planned economy which the Government today happen to have in mind. It may well be that this national investment board is really required for schemes which do not appeal to the public. Our experience is that money for industrial projects is coming forward very rapidly today. May it not be that this Board is required because certain unsound schemes, of the kind which will not appeal to the public are likely to be bolstered up. I do not mean that a scheme which will not appeal to the public is necessarily unsound. But there is a very real danger here—of a board of this kind being used to bolster up unsound schemes and as it were paving the way for the most distorted form of nationalisation. We in this Group do not think very much of nationalisation.

Prof. N. G. Ranga: Of course not.

Mr. P. J. Griffiths: Least of all would we like it to be introduced under a guise or in a distorted form. We want to be certain that the national investment board will not be used for this kind of purpose.

Prof. N. G. Ranga: You do not want to be ex-appropriated!

Mr. P. J. Griffiths: We do not propose to be.

The next point in the Honourable Member's speech was the Taxation Enquiry Committee. We approve of the setting up of that Committee and it appears to us that it may have four main lines of investigation. The first will be the general question of the codification and simplification of the very intricate mass of taxation law today. Secondly, there is the semi-political question of the distribution of revenues between the Centre and the Provinces.

The Honourable Sir Archibald Rowlands: No, Sir.

Mr. P. J. Griffiths: That will be excluded from its scope?

The Honourable Sir Archibald Rowlands: Yes.

Mr. P. J. Griffiths: I imagined that this matter of the distribution between the Centre and Provinces would be part of the constitutional settlement and I am glad to find that I was right.

Thirdly, there will be the examination of what the taxable capability of the country is. At present we have no accurate idea. Fourthly there will be an examination as to who is over-taxed and who is under-taxed and it may be that the changed position of the better class of agriculturist will require consideration.

Prof. N. G. Ranga: Very good!

Mr. P. J. Griffiths: I am not speaking of the man with two or three acres but of the better class agriculturist whose place in the national economy has undergone a radical change as a result of the increased prices of foodgrains. All these matters will fall within the purview of the Taxation Enquiry Committee. As to what the composition of this Committee should be, we will give you our views at a later date. All we can say at the moment is that it must include people who represent the assesses' as well as the assessors' point of view.

Before I proceed to the taxation proposals, we were a little disappointed that the Finance Member did not disclose his view of the probable and desirable course of prices—the general price structure—during the coming year. We would like to have from Government their views as to how far they hope to be able to stabilise prices, at what kind of level they will be able to hold prices, and generally the whole price structure.

I turn to the tax proposals. Here I must say generally, that we recognise that substantial relief has been given by the Honourable Finance Member to industry. We regard that action as having been based on wisdom,—wisdom qualified in one respect, of which I will speak in a minute—but generally speaking to have been based on wisdom. We accept the reduction of the income-tax rate on companies and the abolition of the excess profits tax as satisfactory. At the same time, we must not take an exaggerated view of the effect of the abolition of the Excess Profits Tax. Let us not forget that excess profits was hitherto chargeable against expenditure for income-tax purposes, and that now you will pay your income-tax on a very much larger figure. In spite of that the abolition is satisfactory from two points of view. Firstly, it means a levelling up of those companies which had a poor standard year. Secondly it means putting an end to that artificial and wasteful expenditure which an excess profits tax invariably encourages. We agree with the Finance Member that it is a thoroughly-bad form of tax and we are very glad to see it go.

One other point relates to advance refunds. We hope that the machinery will be such that those refunds will be made quickly, as they will be of little benefit if it takes 12 months to get them. We do trust that the Finance Member will give attention to this matter.

As to the amalgamation of the surcharge with the general tax, it would be possible, if we so wished, to attack this on general grounds, on the grounds that the Finance Member has taken something which was really intended to be temporary and made it permanent. We doubt the wisdom of this course, but we do not propose to object to it for we have to look at the whole taxation structure and we recognise that in view of the general relief that is given we should not be justified in objecting to that amalgamation, even though we do not like it. Generally speaking the taxation proposals as a whole are wisely based on a desire to see an expansion of the country's economy. There is however one proposal of a somewhat different nature, an ingenious but I think, of dubious nature and that is the proposal for the differential tax on dividends above 5 per cent. We do not propose to give you our final view at the moment, because the question is still being examined. But our first reaction is one of very considerable doubt as to the wisdom of this differentiation. Here I would like to put before the Finance Member two or three points for him to consider—points in regard to which we should like to receive a reply. The first is this—one of the objects of this proposal is to force people to plough profits back into their business. Is that really a wise thing to do? There are many kinds of business today which could not usefully plough back profits into them. Take the case of a tea garden, which already has plenty of capital. How are you going to plough back profits into the business? By extending the area? It is not allowed to do that. (*Interruption* by the Honourable Sir Archibald Rowlands). My friend knows very well that the prices are in the main fixed by his own Government and the Ministry of Food. How then are we going to plough profits back into business of that kind. It is not a good thing to force this in all kinds of business and least of all is it a good thing to do so at the time like the present, when there are restrictions of all kinds, when business probably cannot use its plough or back profits for any substituted schemes of expansion (*Interruption*). I hope to deal with this sometime later in these debates.

I come to the other possible reasons for this proposal. Is this provision being enacted not because of its effect on the business itself but on the general economy of the country. If that is so, if it is a question of reducing prices, is it not a measure which would be more appropriate to a time of inflation rather

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than to a period of deflation? I would ask the Honourable the Finance Member to consider this and give his reaction when he replies.

If we are to have a limitation of this kind, *viz.*, is 5 per cent., at all a reasonable figure to follow? I know the Finance Member would not say that a shareholder ought not to get more than a 5 per cent. dividend. He is far too sound an economist to say that. And even if it were possible to regard that 5 per cent. as a reasonable figure, what about the shareholder who has already paid for shares at a price far above par? I would also like to ask the Honourable the Finance Member how he proposes to deal with the case of a company which finances itself very largely by borrowing. Take a seasonal concern, for example, the capital of which may be low and which lives very largely in the busy season, on borrowings. I would like an assurance from the Honourable the Finance Member that borrowing will be allowed for in fixing this differential rate.

I think the most important general argument is this. We in this House still accept the fact that the profit motive is the right motive for industry and the right motive for the development of the national economy (*Interruption* by Prof. N. G. Ranga) Prof. Ranga does not accept it but many of his colleagues do. We accept that motive as being the most dynamic force for securing development and expansion of industry. Is it really sound to discourage the most reasonable expression of the profit motive? We will give you our very considered views at a later stage, but our present reaction is that we seriously doubt the wisdom of this proposal.

We welcome the reliefs that have been proposed on import duties, on raw materials and plants for industry. Here I would ask a question to seek information—perhaps I ought to know the answer but do not: Where does agriculture fit into that picture? I believe I am right in saying that ordinary agricultural implements are already exempt from import duty but there are certain agricultural accessories, sprayers, for example, on which I think, we still have to pay duty. Perhaps the Honourable the Finance Member will examine the question as to whether agriculture is in fact covered as far as is necessary in these proposed reliefs.

The Honourable Sir Archibald Rowlands: It will be.

Mr. P. J. Griffiths: Thank you.

We welcome of course the reduction on kerosene and petrol but of course even more important than price is the question of supplies. We hope that Government will not feel that having reduced taxation, they need not bother about the problem of supply.

The last point on which I wish to comment is one, which I merely want to mention in passing. The proposals of the Finance Member with regard to bullion seem to us in this Group to be sound and wise. We believe that they are so framed that they will in fact succeed in bringing about those desires that he has in mind, firstly prevention of speculation and secondly, prevention of a rapid, uncontrolled fall in prices.

Those are all the points that I have to make on the Honourable the Finance Member's Budget. But before I sit down there is one matter of a more general nature on which I must touch very briefly and that is the reference made by my friend Mr. Asaf Ali yesterday to the effect of the British connection on poverty in this country. He said in effect that it was Britain's fault that India today was poor. I am not going today, much as I should like to, to embark on a detailed controversy about that just now for one particular reason. The reason is that within a short space of a few days, three Cabinet Ministers from Britain will be trying to make, what we hope, will be a final attempt to bring about self-government in this country. That attempt can only succeed in an atmosphere of goodwill. I for my part want to say no single word which will disturb that goodwill and I will therefore not enter into a wrangle as to the past or controvert my Honourable friend's contention that Britain is responsible for the poverty

of this country. I will content myself with saying—and this I must say lest my silence should seem to give consent to a demonstrably false proposition—thus much I must say that I, for my part, am not ashamed of the part played by Britain in this country in the last 150 years. Having said that let us leave it at that. Let us face up to the fact that the constitutional issue is about to be settled. When that issue is behind us, when India is self-governing, it will be possible then to take a more objective view of the past, to see in better historical perspective the effect of the British connection on India and the effect of the Indian connection on Britain. Those matters can be more suitably and fitly discussed in the calmer atmosphere which will prevail when this country has become fully self-governing. In the meantime, let us forget the past and attend to the only thing that matters. The only thing that matters is the laying of such foundations now, that this country can enter upon an era of peace, of prosperity and of greatness and it is because we believe that in the main the Finance Member's Budget lays the foundations on which that super-structure can be built, that we accord it our general support.

Mr. S. Guruswami (Nominated: Non-Official): Sir, the budget that has been presented by the Honourable Finance Member has been variously criticised and its salient aspects covering the poor man have already been dealt with by the speakers who have preceded me. I propose to touch on some important points from the labour point of view.

Mr. President: I would now invite the attention of all Honourable Members who will be speaking that the limitations about the time will be very strict.

Mr. S. Guruswami: In the first place, in regard to the revenue position, the budget figures disclose that 32 crores of rupees have been drawn from the railway revenue, and about Rs. 10 crores from the postal revenues, although these two departments are public utility services. Not only this: there is an undisclosed subsidy given by these departments to the War Department, by giving concessions to the military traffic. I put it at Rs. 35 crores. In 1931, before the Railway Retrenchment Committee evidence was given that as a result of charging concession rates, to the military traffic, the railways lost nearly Rs. 1 crore. In the year that is coming, nearly 35 crores of profit under military traffic will drop. It means in other words Rs. 70 crores, which would have been otherwise available will not be available to the railways; and all this surplus has been contributed to the general revenues; and with these surpluses the Finance Member is in a happy position to make announcements refunding the Excess Profits Tax, reducing direct taxation and helping big business. As regards the abolition of the Excess Profits Tax, although it is not a tax which is suitable in peace time, I must say that it was responsible for inducing the employers to give concessions to the workers, and the result of the measure which the Finance Member proposes will be to increase labour disputes. In regard to direct taxation, I can do no better than quote what the British Trades Union Congress stated in a memorandum recently submitted to the British Government. They said that there should be no relief under direct taxation as long as there exists indirect taxation on essential commodities. The poor man is paying taxes through salt, sugar, matches and various everyday necessities.

Prof. N. G. Ranga: Kerosene and tobacco.

Mr. S. Guruswami: And betel nut. But no relief is contemplated for him. But that is not the only point I wish to say. He has said that the growth of national income has received a stimulus by war expenditure. The figures which he has published in the explanatory memorandum will refuse the claim; the poor worker and the peasant have not received any relief at all. If at all, the standard of living today is 50 per cent. less than what it was before the declaration of war against the fascist powers. He has shown that the cost of living in certain places has risen by 355 points. In regard to the agricultural peasant, it is no better. But what he has given by way of dearness allowance is nothing compared to the increase in the cost of living. In England in 1943 alone £190

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millions was spent as subsidy to reduce the price level of the essential commodities. The Honourable Finance Member does not make any announcement making a similar proposal to reduce price levels of essential commodities here.

Then he has attempted to show that the coming year will be a very bad period. He has said already that 1½ million men employed in the Defence Services will be demobilised before the end of 1946-47. He has already indicated that there will be a drop in public expenditure under Defence Services to the extent of Rs. 600 crores in the coming year. He has also indicated that the industrial development will not be sufficient to bridge the gap between the employment situation obtaining during the war and immediately after. What does he propose to do? He has talked about the internal enemies—the enemy of poverty for one thing; but he has done nothing to meet that enemy. He seems to think that with the cessation of the war, on the 1st April 1946 the war against the internal enemy will also cease, and therefore there will be no fight against the enemy of poverty and unemployment and squalor and ill-health.

Then he has referred to the national investment board which would encourage private enterprise. I am a believer in unadulterated socialism; but I do recognise realities that private enterprise exists today; and I want to ask what efforts he will make to see that the workers get a national minimum wage. Unless that step is taken, all your measures to have a national investment board will be of no use to the poor man, the common man at all. I see that this idea of the national investment board is copied from Sir William Beveridge's Report on Full Employment in a free society. It sounds well but it does not take into consideration what that publication presupposes, namely, the necessity of maintaining full employment.

The present Finance Member is going to embarrass his successor by showing some reduction of taxation under direct taxation, and without realising the fact that if this Government is to discharge its duty by the poor people, social services must be developed, and that requires more taxes and more taxes from those who have the means to pay. That is a factor which we cannot ignore. Whether it is a question of rates and fares, whether it is a question of imposition of taxation, this House should realise that the first charge on the public revenues should be the maintenance of full employment and an equitable minimum standard of living for the workers and peasants of this country. That should be the first criterion by which the success of the budget has to be judged, and not whether some relief is given to this vested or that vested interest. Judged from that point of view, this budget woefully fails to do its duty.

There is a reference to the post-war planning and to house building subsidies. We must take care to see that it is not a subsidy to the private contractor. He must take care to see that the 900 crores which the Provinces will have to spend on post-war planning will go to increase employment.

In this connection I would like to draw the attention of this House to a resolution adopted by the International Labour Conference in Philadelphia about post-war planning. They suggest that the first objective of post-war planning should be the maintenance of full employment. Does this budget disclose any such idea at all? He leaves it to his successor to do the thing. The present Finance Member is timid in dealing with bigger questions; he wants at least to please certain influential business sections by giving them certain remissions, which cannot last long.

I welcome the idea of the appointment of a Taxation Inquiry Committee. But he says here again that it should consist of experts. I do not know what he means by experts. But let me say that the conception of a state should be that it should not be merely a policeman—and a bad policeman at that which they are now today. They should be the protector of the poor and the working classes; they should discharge the responsibility of maintaining social security for the poor people of this country. If they do not do that duty, they cease to

deserve any co-operation from the poor. We have fought this war not to be told that some national government will do this or that. We want any government, whoever they may be, that wields power to recognise here and now that they are as serious in fighting unemployment and poverty as they were serious in fighting the fascist dictatorships. The declaration of war against these enemies must take place immediately, if not already done. That could only be done if ways and means are found to assess the taxable capacity of this country, to find out who can pay taxes most, so that the poor may get their share of the income of this country, which is their due. Unless these principles are enunciated, what is the use of simply appointing a committee which will be only wasting public stationery and presenting a report.

No declaration of sound principles of finance are forthcoming in this budget. It is the usual dreary stuff—so much by way of receipts, so much by way of expenditure. It does not show anything. It has no human element. A budget must be a human budget. In one of the paras. of that budget speech there is a reference to the necessity of presenting a national investment budget. I welcome that idea but that idea means that you should have a budget, a man-power budget, which will first take into consideration that all man-power available in this country will get full employment at the prescribed national minimum standards. That you do not do. What you try to do is to find out where you shall get encomiums from?

I shall deal with another point. He has done damage to the railway revenue by reducing the petrol tax. That is a position about which I should like to express here, because this is not going to reduce the railway rates and fares due to the motor traffic. In this black market today petrol is sold at Rs. 8 a gallon. That will be sold in spite of the reduction that he has made on the present rates but what it will do is that the road competition with the rail traffic will increase. It will make inroads on the railway revenues, which means that there will not be any surplus for contribution to the general revenues. These are hard facts. These budgets are unreal. They are not framed with reference to the poor man. They are framed in the ordinary orthodox way.

They can only invite derision from the poor people. Discontent has been accumulating all these years that there is no hope of unemployment relief, no fixation of minimum national standards of living, no hope that there will be any social security schemes worth the name. All that it proposes is that the future Minister who may try to become popular will become less popular, because he has to tax more and all the credit for reduction will go to the present Finance Member. That is the implication of the present proposal. As such I have nothing to say except, this, that workers who have not been given even the standard of living that they enjoyed before the war cannot look with complacency at the figures revealed in this budget. They cannot look with complacency at the proposals so far made by the Government for the relief of their suffering. As such, I cannot congratulate the Honourable the Finance Member on this budget. I do admit he has shown great intelligence. What is required is not intelligence but the human element that is totally wanting in this budget. With these words, I resume my seat.

Sri T. A. Ramalingam Chettiar (Madras: Indian Commerce): Within the few minutes that are at my disposal, it is impossible to more than mention the several items to which reference ought to be made and properly discussed. It is impossible to discuss anything within that time. I admit along with the member for the European Group that the test of any budget is how far it contributes to the betterment of the economic position of the people generally. Looking at the present budget with that test in view, I fear that it does not touch more than a fringe of the population. It has been said by the same European member that India has emerged stronger after the war. I suppose he means on account of the war itself. I join issue with him on that matter. It may be that merchants and some industrialists might have earned profits,

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probably large profits or excess profits, as the name of the Excess Profits Tax shows but the ordinary position of the man in the village and the worker in the town has not improved at all. In a few places there have been higher wages, the expenditure of those people who received those wages has also increased. It is a question whether the expenditure has been more than the income or the income more than the expenditure. It may be that in a very few places the income may be a little more but in almost every part of the country and in most of the rural parts, the expenditure has been much larger than the excess income they might have received by way of higher prices. That being the case, I do not think it can be claimed that the real economic position of the poor man, whether he is a ryot or labourer, has really improved. It may be that the mill owners, the landowners and the middle class traders may have improved their position by the high prices not only of the crops they raised but also of the lands they sold. The price of land has increased very largely on account of the industrialists and the merchants who have had these large increases in their income wanting to invest their money in lands and houses. On account of this, the prices of land have gone up three or four or five times the old prices. Those who had assets to sell made profits but the ordinary man got no benefit at all. As a matter of fact, even the middle class people find it very difficult to get accommodation, food supply and the ordinary amenities of life. The only other question is, how else help has been rendered in this budget to those people who have not bettered their position economically by anything that might have occurred in the past. There again, the budget is a great disappointment. The Honourable the Finance Member has not referred except perfunctorily to the greatest question that is agitating the country at the present moment, namely, the food situation. Here there are some controlling factors. The greatest controlling factor is water supply. In regard to this, most of the provinces have been negligent in the past under the leadership of the Government of India, which had in the past pursued a policy which has been objected to by most of us, namely, the policy of taking up productive schemes alone. Whether in the Railways, in the Imperial Budget or in the matter of irrigation in the Provincial Budgets, they adopt the same policy, namely, the policy of taking up only those schemes which give a return of 5 per cent, on the capital outlay. I may say that in calculating this 5 per cent, they do not care for the indirect benefits that such schemes always confer on the people. An irrigation is not merely a productive scheme for a capitalist to take up. It is a protective scheme so far as the food supply is concerned. It has a civilising influence and it betters the economic position of the ryots both in the area affected and at other places. Not only that, it improves the spending capacity of the people. In every case it helps. Not only that, there is a question of the development of the country also. Not only the actual income you get and the indirect benefits you get but also the possibility of developing the country and bettering the position of the people and getting more income is also not considered in framing these schemes. We have been objecting to it in the past in our province and we have been trying to make the Government take a more sensible view of things, but, strange to say, we succeeded in one case but in the other cases they won't give up that policy. That, Sir with reference to the schemes which require capital outlay. But there are other schemes for which help is necessary. For instance, the digging of wells. The digging of a well is always a risky proposition. It is a proposition in which the ryot who incurs a large expenditure to dig a well is disappointed and if there is no water at the end, he loses his all. In many cases where the ryot has not got wet lands, he loses probably all his property by the venture he takes up. In such cases the only way in which the Government can come to his help is not by saying that they will give a loan, because he is not in a position to take a loan, but to guarantee the risk. That is a most important point to remember. Several Committees have recommended with reference to dry areas in our province, that the Government should take the risk or should guarantee the risk

that people take in digging wells. Of course, where water is found and the land is improved, the ryot will be in a position to take a loan and pay it in a number of years. That has been the policy that has been enunciated by Committee after Committee in my province for the improvement of the ceded districts and other areas similarly situated. But nothing has been done so far.

The other point has also been touched already, namely, what the ryot requires is not money so much as manure, cattle and cattle feed and things like that. It is because he has not been able to get manure and cattle feed that he has not been able to improve his agriculture and get more crops. There is no use talking about grow more-food campaigns if you are not going to help him with these things. It is things like cattle feed and manure that he requires and if you provide him with them you will be able to subsidise the schemes of grow-more-food. Well, Sir, these are some of the points which I wanted to mention, but one can go on cataloguing any number of them to show that the Government has not made any provision for the real economic improvement of the rural areas and of the poor people.

Coming to the portion of the people for whose benefit it may be said that the present budget has been framed and about which objection has been taken in the press and elsewhere, namely; the industrialists, I am sorry that there is some misapprehension in the minds of my brethren in the industrial field with reference to what has been done. Of course, the Finance Member has got the credit or the discredit, whatever it may be, by using a phrase, namely, that he has abolished the E.P.T., but what has he really done? He has window-dressed the whole thing. What he has done is that he has abolished the E.P.T. and has put the tax in the form of super-tax. Sir, I took one of the balance-sheets which I received from my part of the country a few days back to calculate and ascertain what would be the revenue under the present scheme of E.P.T. and what would be the revenue under the proposals made by the Honourable the Finance Member in his budget for income-tax and super-tax. The result is most surprising and probably the Members of this House will be almost amazed to hear how exactly things are. Under the new schemes of income-tax and super-tax, a company, whose balance-sheet I took, will have to pay Rs 8,000 more tax than what they are going to pay actually this year under the E.P.T. scheme. The figures are here with me and I have handed them over to the Finance Member and asked him to verify them. There is no catch in that. But no doubt there will be some difference with reference to the formulae adopted. For instance, according to the present formula, of the E.P.T., they make an exemption in the case of the standard profits. The companies come under that formula, and according to their standard income will get benefit. But under the new scheme what happens is this. A different formula is introduced, namely, above 5 per cent. all the excess income is now taxed on a graduated scale with the result that those who get larger incomes will have to pay as much as 7 annas in the rupee and those who have got smaller incomes will pay less. So, it is only a question of a difference in the formula and also working it in a different way. It does not mean that the Finance Member is going to give up all the revenue which he was raising in the form of the E.P.T. by the new scheme.

Then, Sir, it has been said that he has given relief. What relief has he given? Immediately, there is no relief. In the next year, 1946-47, not only the E.P.T. continues but the factories would have deteriorated very much. They want to be rehabilitated and expansion is necessary. So, next year, at any rate, the industrialists will not be enabled to rehabilitate their factories or to expand them. One thing he has said. He has said that the Government is prepared to pay the cost of buildings and machinery that may be purchased by the industrialists out of the compulsory deposit. What is the use of asking people to deposit still further and then saying that some of the old deposits will be returned if they are going to put up new buildings or order new

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machinery? Not only that, I can go into the whole thing and show that there has been a lot of show in the matter and the actual advantage that has accrued to the industrialists is not so much as it is thought. No doubt, they have gained something. For instance, the relief that is going to be given with reference to the customs duties on raw materials and machinery and the contribution that is going to be given for building quarters for the labourers. Things like that will no doubt help, otherwise there is no substantial help.

Well, Sir, my time is up. As I said at the beginning, time is so short that it is not possible for me even to mention the points that require earnest consideration.

Mr. Ahmed E. H. Jaffer (Bombay Southern Division: Muhammadan Rural): Sir, let me congratulate you personally, Sir, that as a result of your request yesterday,—I would not say your ruling,—the Treasury Benches were practically full this morning. It shows their renewed interest in the discussions that take place in this House, and I hope they will continue to take the same interest in future, at any rate, till the present Executive Council lasts. Sir, let me congratulate the Honourable the Finance Member, who I am afraid is not present in the House now.

Mr. President: I might remove a misimpression, and state that the Finance Member's representative is present here and following the whole discussion.

Mr. Ahmed E. H. Jaffer: I am not complaining. I am only making mention that I congratulate the Honourable the Finance Member—in his absence—on his first budget and I sincerely share with him the hope which he expressed in his speech that this will be his last budget.

I should first like to deal with the shortcomings in this budget and then later on come to the good points. Nowhere in his speech has the word 'retrenchment' occurred, whether in the matter of civil expenditure or defence expenditure. Probably the Honourable the Finance Member thought that it would be very unpopular for him to do the job of retrenchment and I suppose he has left the legacy behind for the Indian Finance Member to deal with. I shall first of all deal with the civil expenditure and then the military. During the pre-war, the civil expenditure was 38 crores, while this year it is 111 crores. New Departments have been created, experts have been imported and a large army of officials still continue to occupy the Government departments. I should like to point out whether there is any need for all these highly paid officials to continue now that the war is over. After the last War, the Incheape Committee was appointed which cut down the expenditure considerably. Cannot something be done this time on similar lines? I would suggest the appointment of a retrenchment committee to go through the expenditure and cut it down considerably. In dealing with the question of retrenchment, I should like to warn Honourable Members, the heads of Government Departments, and I should like to bring to their notice that the question of representation of Muslims in their Departments is below 25 per cent. quota contrary to the Home Department Circular of 1934. In most of the Departments, the representation of Muslims is below the quota. I suggest that if retrenchment is applied to the Departments, the Government should consider this fact and refrain the Muslims in order to maintain the quota of 25 per cent. I am glad the Honourable the Labour Member is present in the House this morning and I hope he will consider the fact that his Department is the worst in the matter of representation of Muslims. I shall have to deal with it later on in the course of Cut Motions and in the Finance Bill.

Now, I come to Defence expenditure. In 1939-40, the defence expenditure was 50.26 crores, while now in 1946-47, it has come to 244.51 crores. This is a considerable rise from the pre-war budget and I fail to understand why this sum still remains at such a high level when there is every scope of bringing it down considerably. The trouble is that demobilisation is not as fast and as

speedy as it should be, and I entirely agree in this respect with the observations made by Mr. Griffiths this morning. I strongly object to the expenditure on the contingent being sent to Japan. I do not see any reason why we should send our troops there, unless it is to show to the Japanese what a mighty power India has become as a result of this war.

Next, I deal with the sterling balances. I am not a financial expert myself, but as a layman, I should like to say that India is thinking and feeling as one man, and we won't allow you to repudiate or scale down one pound. The Britishers were in the position of trustees when they took away our goods, and it has been demonstrated that U.K. is now in a position to repay the debt. You must mobilise the British assets and help the problem of reducing the outstanding note issue. With regard to the question of sterling balances, it is not only a question in which the name and honour of England is involved, but it is one in which the welfare of the poor people in India depends. The poor are interested in the general price level coming down and this could be done if you will reverse the process by which you have sent up the prices in India. It is not enough that you stop printing further notes. You have to give British assets to India and get back the rupee and cancel the notes.

Next, Sir, I wish to deal with war risk insurance. This sum of Rs. 26 crores, we all know how this money has been extracted from trade and industry. This has been swallowed up by the general revenues. With regard to E.P.T., this has been discontinued before the liability to give back some of it for losses incurred arose. In any case this was a war measure and it had to die its natural death. I am glad it has disappeared from the scene and the benefit is not certainly one sided.

I now come to the question of permanent six annas burden on company earnings. I am sure it is too high. While welcoming the reduction made, I must point out that this is 37 per cent. tax on earnings of every company. I suggest that Government ought to make the tax lower on companies whose earnings are less than Rs. 20,000.

Now, I come to the Posts and Telegraphs Department, I am glad that my Honourable friend Sir Gurunath Bewoor is present. I wish the Finance Member had brought down the price of post card from three pice to two pice in order to give relief to the poor, which they so badly need. I should also like to see the cost of envelopes reduced by half an anna or a quarter anna. This has not been done, and I do not know why the Postal Department should be left out specially when they have made crores of profits as a result of war. Secondly I see no reason why the surcharge on telegrams and telephones should continue to this day. As far as I can understand this was a war measure. We have paid sufficiently, not only that, we have paid surcharges also. In every case, I can speak from my own experience that we always have got to send express telegrams or make express telephone calls because when you ask the Telephone exchange they say it would take six hours before you can put through an ordinary call. This they do in order to extract more money from the public. I suggest that the surcharge on telegrams and telephones should be discontinued, as Mr. Griffiths pointed out this morning, if you really want to encourage trade and industry in this country. I also suggest that the public should have priority over military calls as was brought out in the debate this morning.

I find, Sir, that nothing has been provided for education in this budget, specially the Universities Controlled by Govt. of India specially those of Aligarh, Delhi and Benares. I hope something will be done in the matter of education.

Next, I come to planning. In planning post-war schemes there are two objections, firstly very little attention is paid to the requirements of consumers and poor people. Secondly all machinery that has been purchased and all new industries that have been started are located in non-Pakistan areas and very few Muslims get permits to get the machinery, and most of these are given

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to non-Muslims. I hope this question will be seriously considered and looked into by the Planning Department.

Now, I come to the question of civil aviation. I hope the Honourable Secretary for Posts and Air will not overlook the discussion we had in the Standing Committee for Posts and Air a few days ago. It is the general feeling of this House that aviation should be Indianised and subsidies should be given to cent. per cent. Indian companies. Lastly, I would say that Muslim companies should have a quota of the share in the proposed licenses to be granted by the Licensing Board for new routes. As regards the Licensing Board I suggest that it should comprise mainly of Indians, except of course, I have no objection to the Director of Civil Aviation who happens to be an Englishman, to be on the Board. I feel that this point has been brought out very clearly by myself and by my colleagues in the Standing Committee the other day and I hope our feelings would be respected and this Board would be Indianised.

I now deal with the petrol duty. The reduction in petrol duty is no doubt a welcome departure from previous taxation proposals, but the Honourable the Finance Member has not given us any idea as to when we are to expect sufficient quantity and when the petrol ration will disappear. Conditions have improved after the war and I suggest that petrol rationing should disappear immediately. Secondly what is the use of having petrol when we have no cars, or buses. I wish the Honourable the Finance Member had said something with regard to the import of cars into India, and not only that but also about encouraging the manufacture of Indian cars in India. I suggest that when the prices are fixed by Government, they will be fixed in such a way that they will come within easy reach of middle class people. At present it is very difficult for the middle class people to buy even secondhand cars unless they are prepared to pay thousands of rupees; the prices are too high. I hope this point will be taken into consideration.

Then, Sir, I must give full credit to the Honourable the Finance Member for exempting incomes of new buildings for two years, but the rent act, which is a war production, should be modified to cover larger costs of repairs to old buildings. On residential buildings, a small increase of rent should be allowed while on business premises much bigger increase should be allowed.

This Budget, as has been said by all sections of the House, is not a poor man's budget. Except reducing the kerosene duty no relief has been given to the poor. That too is very scanty. I suggest it would have been much better if the Finance Member had abolished altogether the duty on matches, salt and sugar. If he had done so, the poor people of this country, who have undergone so much of hardship and privations during the six years of war, would have been compensated to some extent. They are the people who have been hard hit as a result of this war and who have gone without food and clothing. This was the time to help them. Instead of celebrating Victory, it would have been better to win victory in the hearts of the people by showing it to them that by the cessation of hostilities their sufferings have also come to an end.

Now I come to the question of tobacco duty. The Honourable the Finance Member has not reduced, or altogether abolished the Excise duty on tobacco which is proving to be the greatest source of hardship, oppression and corruption. From the cultivators as much as Rs. 100 is realized on tobacco according to the sweet-will of the Inspectors concerned, who are really the *Ma-Bap* of the tobacco growers. The result is that small cultivators who are saddled with this tax are compelled to sell away their cattle and ornaments in order to pay this tax which is nothing but an oppression. I hope this will be looked into.

Now I come to the hand-printing and hand-dyeing industry in Ajmer-Merwara in particular and other places in the country in general. This is an old industry occupying a very important place in the province. About 8,000 souls depend entirely on this trade, but Government have withheld from them the supply of grey cloth for processing purposes. This industry requires only

coarse khadi which is produced by four local textile mills, and the hand-dyed and hand-printed cloth is chiefly consumed by the rural population of Rajputana States. All the grey cloth and khadi cloth is exported from Ajmer-Merwara province without allowing it to be dyed and printed, with the result that the people who were in the trade have been reduced to labourers and are hard hit. I therefore suggest that the above cloth should not be exported and they should be allotted at least 400 bales monthly. This is not only true of Ajmer and Merwara, but I can assure you, Sir, that in my province too—Surat and Ahmedabad—the same conditions are prevailing.

Sir, the Honourable the Finance Member might ask what are the remedies suggested for new sources of income. My humble submission is that all the race courses in India should be taken over by Government and the profits from those should be utilized for the good of the country. Licence should be given to all bucket shops either at races or cotton figures and realise tons of money.

Sri M. Ananthasayanam Ayyangar: Abolish race courses.

Mr. President: Let the Honourable Member proceed without interruptions.

Mr. Ahmed E. H. Jaffer: Issue prize bonds with little interest like French prize bonds. French Government redeemed their whole debt from war of 1875-76, even World War I and Napoleon's War, as a result of income from this item.

Lastly, I hope my Honourable friend, Sir Gurunath Bewoor, would consider the question of selling through the Post Offices, one rupee lottery tickets with a fortnightly drawings, like Goa lotteries. I am sure this will bring tons of money into your exchequer.

Sir, I have done.

Sri M. K. Jinachandran (Madras: Landholders): Sir, I will take this opportunity to make my maiden speech. I challenge the claim of my Honourable friend, Khan Abdul Ghani Khan, that he is the youngest member of the House, and I hope he will agree with me that he is not the youngest member.

Sir, much has already been said touching many of the important items of the Indian Budget, and the Budget has already come under criticism at the hands of experts in this House. But to a planter in India, especially an Indian planter, there are a few grievances with which I propose to deal presently so as to draw the attention of the Honourable the Finance Member.

Some of the provinces and States in India have large tracts of rubber plantations. In South India, there are 1,52,000 acres under rubber cultivation of which about 1,11,000 acres, i.e., approximately 72 per cent. are either Indian owned or Indian managed. On the other hand, out of a total of 4,45,000 acres in Ceylon a disproportionately large area of 3,15,000 acres is under European ownership. Recently the Government of India reduced the price of rubber from one hundred rupees to seventy-seven rupees per hundred lbs. I must say that the reduction has been ill-timed and mischievous. We cannot understand why the price of rubber in India should thus be reduced when the price of Ceylon rubber remains untouched. Evidently, the European planter goes unscathed by this act of the Government of India. India produces about 18,000 tons of rubber. We can manufacture rubber to supply the entire needs of this country, and our market is quite large. In these circumstances, it is no doubt a grievous error to have cut the price of Indian rubber during these hard times. By this cut the national damage to India is more than Rs. 87 lakhs from February to September 1946.

Another matter which I propose to raise now is that of Indian coffee. I am glad that the India Coffee Board is doing its best to protect the interests of coffee producers in India. But the duty levied by the Government is not on a basis which would protect the poor grower as against the rich planter. The small cultivator of coffee in Malabar grows a variety known as *Robusta*. It is, I admit, inferior in quality to *Arabica*, but look at the price of each variety. *Robusta* is sold at a price lower than that of *Arabica*, but duty is the same on both the varieties. This certainly hits the *Robusta* planter. I would, therefore,

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suggest to the Honourable the Finance Member to fix duty not on a weight basis but on the basis of the price of each variety. That would be of some benefit to the small grower. Similarly the present price of coffee is very low compared to the cost of production which is four to five times the cost of production in 1939. In fixing the price of coffee I feel that consideration should be given to the cost of production and transport charges, etc., and the Government of India, I hope, will take greater interest to protect the Indian cultivator from his rich and powerful rivals in the field.

The Honourable Dr. B. E. Ambedkar (Labour Member): Mr. President, In the course of the observations that fell from the Leader of the European Group, he said that they were not quite sure whether the resettlement and rehabilitation plans of the Government of India were proceeding apace in order to meet with the volume of demobilization that was going on. Sir, it is for this purpose that I rise now in order to give the House the requisite information on this subject. Sir, the subject of resettlement is divided into two parts: settlement on land and settlement in industry. The question of the settlement on land is a matter which has been left for the Provincial Governments to carry on. The reason for leaving settlement on land to the Provinces is, I think, quite obvious to the House. The land, by constitutional law, is the subject matter of the Provincial Government. Obviously no matter what argument there may be in support of the position that the whole subject matter of resettlement should be under one Central Government, that argument could not dislodge the opposite argument which is founded on the fact that the land is a Provincial subject. It is, therefore, by mutual agreement that that question has been left to the Provincial Government. The only subject that the Government of India deals with is resettlement in Industry. It is on this subject that I propose to give some account to the House.

The subject of resettlement has been placed under the charge of the Directorate-General of Resettlement and Employment. The department or branch is divided into seven different categories; (1) Employment Exchange, (2) Technical Training, (3) Vocational Training, (4) Rehabilitation of the Disabled Soldier, (5) Canvassing employment for ex-servicemen and the disabled, (6) Follow-up service, (7) Statistics of Discharges and Releases.

The functions relating to canvassing of employment for ex-servicemen and the disabled soldier as well as the next function of what is called 'follow-up' service and that of statistics of discharges and releases, are obviously so necessary and so self-explanatory that I do not think it is necessary for me to spend any time to explain why these services have been instituted and what their purpose is. I will therefore leave these subjects for Honourable Members to study from this book which has been issued by the Government of India in the Labour Department. A copy of it is in the Library and if any Honourable Member desires to have a copy for his personal use, I shall be very happy to circulate them.

Sri M. Ananthasayanam Ayyangar: What is the title?

The Honourable Dr. B. E. Ambedkar: It is "The Directorate-General of Resettlement and Employment".

Babu Ram Narayan Singh: Please circulate it.

The Honourable Dr. B. E. Ambedkar: Copies of it were given to the Labour Advisory Committee the last time when it met. The only question on which detailed explanation is necessary is in regard to the Employment Exchanges, Technical Training, Vocational Training and Rehabilitation. I will take each item seriatim.

With regard to technical training, the position is this. The Government of India have certain technical centres for technical training. In those centres they have reserved at present 14,000 seats for demobilized personnel. The training, the maximum period of it, will be for one year and the number of trades that will be taught in those technical training centres will be about 48, the

detailed list of which is given on page 55 as Appendix VII of this booklet. Then, Sir, with regard to vocational training: it deals with training in agriculture, in dairy farming, in cottage industries, in clerical and commercial occupations. The scheme is at present prepared and is sent round to the Provincial Governments for their approval. The proposal is that in these vocational training centres 20,000 seats will be reserved for training in occupations relating to agriculture and 50,000 in other occupations.

Coming to the question of Rehabilitation. This matter is shared between the War Department and the Labour Department, and the reason for such sharing will be obvious. The rehabilitation of a soldier, who has received injuries in the course of the war obviously falls into two stages. The first stage is the medical stage where questions of healing the wound and post-hospital rehabilitation are of primary importance. Obviously, the soldier being in the service of the War Department, this matter has been left to the War Department to deal with. After he has come out of the first stage of rehabilitation, which is the medical stage, he is handed over to the Labour Department and the Labour Department then deals with him. For the purpose of dealing with the rehabilitation of a soldier, the Labour Department has two sorts of centres opened in this country. One is called the Basic Centre. The accommodation provided is for 5,000 such persons. The second sort is the special training centre. There the accommodation provided is for 3,000 persons. The purpose of the Basic Centre is to test the aptitude of the man. What are his aptitudes? What is it that he is likely to be most useful in? After his aptitudes are tested, he is then taken to the special training centre where he is taught some occupation which is most suitable having regard to the particular sort of injury that he has received. The Labour Department plans to open altogether six centres for dealing with soldiers requiring rehabilitation. They have opened one at Jaladi near Bangalore and they propose to open another very soon in Aundh near Poona.

I will now come to the question of Employment Exchanges, which of course is the most important part of the resettlement plan. With regard to the Employment Exchanges, the Labour Department has come to the conclusion that it would be enough to start with 71 such Employment Exchanges. They have today on the ground set up 38 such Exchanges and before long, they hope to complete the maximum number they have decided upon.

Now, Sir, I know that there is a certain amount of criticism both from members of the House as well as from the public outside that the question of setting up of Employment Exchanges is not progressing as rapidly as it should and I should like to meet that criticism by submitting to the House certain facts which would show why the Labour Department cannot rush the starting of these Employment Exchanges. The one thing which is necessary to remember is that unless and until an employment exchange is managed by a man who has had training, it is bound to fail. Let it be remembered that Employment Exchanges are a very specialised sort of work—the most specialised type of work. An Employment Exchange would completely fail if it were placed in the hands of a man who is not trained for the job. Therefore, before starting any Employment Exchange, it is necessary to give a certain amount of training to a man who is to be in charge of the Employment Exchange. That is, therefore, one difficulty why it has not been possible to rush in the matter of starting our Employment Exchanges.

Mr. P. J. Griffiths: Where is the training done?

The Honourable Dr. B. R. Ambedkar: I am just coming to that. We have therefore established a training centre in Delhi. It is a sort of a school in the charge of Mr. Jones, whose services have been lent to us by the Labour Department in England. He runs this training centre. In that centre training is given in all aspects of the employment exchanges for a period of six weeks before a man is sent out to take charge of an Employment Exchange.

Prof. N. G. Ranga: How many are you training at a time?

The Honourable Dr. B. R. Ambedkar: I am sorry I cannot give you the exact figure. These books will give the information. I believe 35 a time.

Prof. N. G. Ranga: How long do you take to recruit them?

The Honourable Dr. B. R. Ambedkar: The difficulty arises from the fact that all these posts have to be filled on the recommendation of the Federal Public Service Commission and the minimum time that the Federal Public Service Commission takes is somewhere about three months. I do not know whether—and I am not prepared to say that the time taken by the Federal Public Service Commission is unduly long. (Interruption by Prof. Ranga) I am merely stating the reason why it has not been possible to start them soon. The first difficulty is that it takes a pretty long time to have a man recruited through the Federal Public Service Commission. Secondly, after he has been recruited, we have to give him training. All this therefore takes time and I do not regard the time taken as wasted.

Another point which people, who criticise the Labour Department for not having set down all the Exchanges, raise is this. The Labour Department have not got all the Exchanges on the ground. This does not mean that there is no organisation on the ground which is able to deal with the subject. As might be known, there is already a Recruiting and Employment Bureau in the War Department which has been doing this work and the policy of the Government is that in course of time this organisation should cease to deal with this work and the whole work should go over to the Labour Department. The Labour Department, while it goes on increasing its Exchanges also goes on taking over the work that is at present dealt with by this recruiting organisation in the War Department. Consequently, the fact today is that there are really two different organisations working in full co-operation, one in the Labour Department and another in the War Department and in course of time we hope that all the work that is now carried on by the recruiting organisation will come to the exchanges and we shall then be able to set up a full-fledged and competent organisation to deal with this question of resettlement.

Sir, I hope the House will be satisfied that the Labour Department is doing its best in the circumstances in which it has been placed. I would just like to say one word. I think it will be appreciated that this question of resettlement came to us as a matter of great surprise in view of the fact that the war closed before we expected. However, I am quite certain that whatever is possible to be done within the short space of time that is available to us is being done and I have no doubt that the soldier who is demobilised will find this organisation of great use to him in meeting the difficulties which he is confronted with in civil employment.

Mr. B. P. Jhunjhunwala (Bhagalpur, Purnea and the Santhal Parganas: Non-Muhammadan): Sir, I rise to make a few observations on the Budget. The Honourable the Finance Member has said in his Budget Speech that:

"fiscal policy is merely one of the means to achieve national policy and in my proposals I have kept this in my mind."

He further says:

"India will not achieve the minimum of economic health and wealth until agriculture as well as industry have multiplied their productivity many times."

Sir, the Honourable the Finance Member deserves credit for this. The Honourable Member has also said that "India is still confronted by a whole array of dangerous and enduring enemies—poverty, squalor, ill-health, illiteracy, under-nourishment and under-employment and of these the most formidable is poverty." Sir, peasantry, cattle and land are the most valuable assets of this country and these are of first essentials. But these continuing in the process of deterioration. The Honourable the Leader of the European Group has said that India's borrowing power has increased because of the sterling balances in England and the sterling assets there. The House should remember that these are made up of the blood of the peasantry and of the starving

and struggling labour classes and their welfare should have the first change on these. But, Sir, if this budget is conspicuous for anything, it is for want of—provision for the welfare of the peasantry, labour, cattle, and the agricultural development of this country. I do not want to dilate upon the amounts for expenditure which he has allotted to other departments. Much has been said about it. The Honourable Member, Col. Chatterjee, said the other day that much is being wasted and spent on account of the multiplication of different departments and what comes out of it is waste paper and nothing else. We get so many statistics, so many graphs and charts; but there is no practical work behind these. Take the case of the Food Department. Much was made

of the Grow More Food campaign. It was said that several millions
1 P.M. of acres have been brought under cultivation and we were given so many statistics about it so many books were published about it; but what we learned about the result was that that nothing had come out of these, in form of produce in view of the large acreage of land that was supposed to be under cultivation, and the reason given was that it was because of the vagaries of nature that this had happened, as if this is a new discovery, the Grow More Food campaign debt has made in this country and that the vagaries of nature have effected only this year? If it was not a new discovery, why was no step taken to meet the bad results of these vagaries before?

The Honourable the Finance Member has said that he has kept certain long range aims in view in framing his budget. I would request the Honourable Member to point out one single item worth that name, which could give substantial help either for agriculture or for industry, which would in the long run be to the real benefit of the country and of the people. What is required in agriculture is that there should be sufficient arrangements for irrigation. Unless there is irrigation, these vagaries of nature will always occur from year to year and there will always be uncertainty about it; and unless we have sufficient irrigation in this country there is no chance of getting sufficient food. Nothing has been done substantially in this budget in this direction

The Honourable Sir Archibald Rowlands: Yes, Sir.

Mr. B. P. Jhunjhunwala: He has talked about postwar planning. But by postwar planning he only means roads, buildings, minor irrigation works, anti-erosion measures, water supply and drainage schemes, etc. I do not underestimate the importance of these things but what I say is this, that this irrigation and whatever is required for improving agriculture should have found first place in the budget. . . .

The Honourable Sir Archibald Rowlands: Hear, hear.

Prof. N. G. Ranga: There is nothing of the kind in the budget.

The Honourable Sir Archibald Rowlands: Isn't there? You heard my reply this afternoon.

Mr. B. P. Jhunjhunwala: There is no large scale irrigation which can be of any substantial help to agriculture. It appears from the budget statement that whatever little was being done towards helping agriculture has been taken away. For the pulses storage scheme the amount allotted is 6,700; this is a ludicrous sum. Schemes of economic planning is 8,100. Cotton fund which was 135 lakhs in 1944 has been dropped this year; Sugar excise fund which was 12 lakhs dropped this year—Rs. 140 lakhs in 1944 revised in 1945—24 lakhs. The grant under 'groundnut cultivator's relief' and for research which was 1 lakh in 1944 has been omitted. There is no real effective scheme under agriculture. If this is the policy which will be followed by the government towards agricultural improvement, we do not know where it will lead us to. So far as industry is concerned, though relief has been given by way of taking away the Excess Profits Tax, it will be of no effect in developing industries unless something substantial is done by which industry can develop. The main thing required is the importation of capital goods, so that we can produce in this country as much of consumer's

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goods as possible. Instead of importing capital goods and producing consumers goods in this country, I find that quite the opposite is being done. I shall give one instance. Fertilisers worth 450 lakhs is going to be purchased from foreign countries this year. This will cost us at the rate of Rs. 245 per ton which the cultivator will have to pay for this fertiliser. If we had seriously attempted and imported machinery as recommended by Technical mission 1944 worth 420 lakhs we could have by now produced annually in this country 350,000 tons of fertilisers and that would have been at half the cost that is Rs. 120 a ton. Instead of giving any subsidy to the cultivator we are making him pay more. We are giving him fertilisers at a rate of Rs. 245 per ton, while if we had produced them in our country, we could have supplied him at the rate of Rs. 120 a ton. The whole amount for this year will come to Rs. 220 lakhs which will be a burden on the cultivators. If we had imported that machinery and if we had a fertiliser factory, which was quite possible and which is even now possible, we could have saved all this money. Even now serious attempt should be made towards this end. We could even have prevented Rs. 450 lakhs from being sent out from this country to countries abroad. If the present policy is going to be followed, then India has no chance of improving either in agriculture or in industry. So, although the Finance Member has said that "I have kept this long term aim in mind" and he has also admitted that unless there is development of the products of industry and agriculture many times, there is no chance for the salvation of this country. But, Sir, the policy which has been followed and the action taken is quite different from what he has said. Another one of the most important things that have got to be done now is to effect deflation. There are various ways of effecting deflation but the healthiest method is the starting of big industries and drawing the money from the public in shares and in other ways towards industry. That will be a productive thing and will have effect to a great extent in bringing about deflation. Public loans, especially for meeting expenses, are of no use. They will only increase the public indebtedness and will produce no good result. In the end I again want to say that unless effective measures are taken in order to have more agricultural projects and more industrial projects, there is no salvation for this country and as such we should take up these things in all seriousness. As the Finance Member said, we are still confronted by an array of enduring and dangerous enemies, poverty etc.; so as a war measure, we should invest sufficiently large amount in these things and end this poverty, squalor, ill-health, illiteracy, under-nourishment and under-employment, which are multiplying from day to day.

Mr. President: I am afraid there are only two minutes left. Would the Honourable Member (Mr. Ali Asghar Khan, who stood up) begin now or at 2-30?

Mr. Ali Asghar Khan: At 2-30.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

Mr. Ali Asghar Khan (Assam: Muhammadan): Sir, going through the budget estimates for 1946-47 and the Finance Member's speech, I find that this country has been put to a great strain as a result of the war. During the three pre-war years, our tax revenue was 70 crores yearly on the average and during the seven years of war it has gone up to 199 crores. This shows that during this period of seven years a taxation of about 550 crores has been in excess of the previous sum. It comes to 854 crores in seven years in excess. During the pre-war period, the defence expenditure was 46 crores yearly, but during the war it went up to an average of 225 crores. Not only that, in every Department there was an increase due to the war which can

also be taken as defence expenditure. Out of this, if we study it properly, very little has been spent for the welfare of the country and it can be said that this is a high burden on the poverty-stricken people of this country. I admit that nothing could be done for the country so far due to the war. The people of this country contributed a big sum to the revenue and over and above that they had to undergo great hardship for a war which was not theirs. Even when the war is over, the Finance Member has come forward with a budget which it can be said is not very encouraging for the country. This is called a peace time budget and there is not much to give to the poor. On the other hand, the major portion has again been absorbed by the defence expenditure.

The Finance Member's bold declaration to abolish the E.P.T. will not be a relief to the poor and it will only encourage the industry in the country. On the other hand, he has proposed the amalgamation of the surcharge and the income-tax, which will keep the rate pretty high on lower incomes in normal times. I must say that he has very cleverly shown reduction in one way and by another way he has not only made good his losses but has got something in excess. Had this fact gone to the improvement of the poor and the country as a whole, I would not have had anything to say. But it is being absorbed by the Defence Department.

Up till now I have not dealt with the problem of the poor and I would like to say in this connection that this budget gives them no relief. The little sympathy that the Finance Member has shown by the reduction of duty on kerosene oil has been counter-balanced by the increase of duty on betelnuts and tobacco. These two items are not a luxury to them. They cannot do without them just as the Honourable Member cannot do without cigarettes or his usual drink in the evening. He would have been a real Finance Member if he had reduced the taxes on salt, tobacco and betelnut and made up the loss in the revenue by a reduction in the defence expenditure. Our people were very happy and were living in plenty before this Government came to exploit us.

To give relief to the poor and to keep money for the betterment of the people and the country, more attention should be given to post-war planning.

Now, Sir, the Finance Member has not said anything in his speech as to how the Central Government could have helped financially in order to mitigate the famine which is now threatening India nor has he suggested any plan. Crores of rupees have been raised and spent on the war. Surely, something could have been spent on this subject also. The Central Government should have given a loan to the Provincial Governments or awarded them free subsidies to be given to the cultivators to encourage them to produce more by putting waste land under cultivation. India, if she wants it, can produce much more foodgrains to meet her full needs. But I find that no proper steps are being taken either by the Provincial Governments or the Central Government or even by the Leaders of this country except that we see a few articles in the newspapers here and there suggesting that people should grow more food and do certain other things. There are lots of uncultivated lands in every province. If these lands are brought under cultivation by irrigation and other means or by settlement, the food problem in this country can be solved. In my Province of which I know there is a large portion of land still lying uncultivated. This land is neither cultivated by the Assamese, who are no good in cultivation, nor will they allow the outside immigrants to cultivate those lands. They have introduced the line system, and I am sure most of the Honourable Members of this House know what it is. A great injustice has been done to those who went to that country in lakhs after selling all their belongings in their original homes. The Government of Assam even went to the length of burning their houses in Assam, which is a great surprise in these democratic days. The other day, there was an article by an ex-Minister of Assam, drawing the attention of the Government to this line system and asking the Government to settle these people on those uncultivated lands. A few days ago there was an editorial in the "Dawn"

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which drew attention to the fact that the present Congress Government were taking steps against these immigrants. I should like to point out that the former Ministry could have settled these lands on those immigrants because there was no opposition then. Even now the present Government can be more national minded, as they claim to be by abolishing this line system. The trouble is there, whichever Government rules, it goes on in the same old way, as we so often accuse the present British Government here. They all become ungodly. If they become a little godly, all the troubles in the world will vanish and there will be no wars. Communal disputes will disappear and every difficulty will be solved very easily. Of course, Mr. Gandhi said that everything can be solved through non-violence. He can preach non-violence in a country like India which is already a slave country. Where there are powerful races as in Russia, England or America, I do not think this non-violence can work properly unless all the people become godly and follow the teachings of God.

Mr. President: The Honourable Member is now going into a domain which is not within the scope of the present discussion.

Mr. Ali Asghar Khan: I am just pointing out that whichever Government comes to power, whether a National Government or a Congress Government or a Muslim League Government or the present Government, when they come to power, they all forget their godly duties, and they do not work with sincerity of purpose. That is what I wanted to show. The Congress Government has come to power in Assam, and if they like they can withdraw this line system.

Mr. President: The Honourable Member's time is over.

Mr. Ali Asghar Khan: I mentioned in my speech in the Council of State also, but then neither the "*Dawn*" nor the last Ministry took any notice of my remarks then. Now, an ex-Minister as well as the "*Dawn*" have taken notice of the same. I draw the attention of the Central Government, the Provincial Government, Mr. Jinnah and Mr. Gandhi and all other leaders to see that this line system is abolished for the sake of growing more food and for the sake of settling more people on these lands so that they can earn some sort of living. I hope the Government would appoint an impartial committee to go into this line system in Assam, with officials and non-officials from outside the province. I hope the Government would thereby come to the help of the poor people in Assam and I hope the Government would cut down the war expenditure to an extent which will help the poor people in the country.

The Honourable Dr. Sir M. Asizul Huque (Commerce Member): Sir, I do not wish to take much of the time of the House, but I shall briefly reply to the point which was made by my Honourable friend Mr. Griffiths as regards the import policy, particularly that aspect which referred to the question of co-ordination between the different Departments. I hope my Honourable friend will realise that he was speaking in 1946 and this war policy actually had to begin from about the beginning of January 1945 and at that time nobody knew as to when the Japanese war would come to an end. I do admit that at an early stage there were certain difficulties in the working of the Import policy, but I can assure my Honourable friend that just at present for the last few months, there has been the closest co-ordination between the different departments. I might incidentally mention in this connection that the Commerce Department in the issue of import licences of different goods has to follow a policy in the best interests of the country. I might say at once that in so far as the replacement of machinery is concerned, there has been no difficulty whatsoever in issuing licenses for sterling areas, but in non-sterling areas or areas which have difficult currencies, replacement up to a lakh of rupees has been practically freely granted, but when it is beyond one lakh, the question of dollar or other currency had to be taken into consideration before licenses were granted.

Mr. Manu Subedar: May I enquire why it is insisted that the importer must prove that the particular type of machinery is not available in sterling area? How do you expect the importer to prove it?

The Honourable Dr. Sir M. Azizul Huque: I do not think he will have to prove it. It certainly stands to reason that when so much of sterling, about which my Honourable friend is worried, has accumulated, we should take some steps to liquidate that sterling balance and if we can think of a machinery that is available in that country, certainly there is no reason why you should not import it from the sterling country rather than import it from a country where we have not got exchange facilities.

Mr. Manu Subedar: Even at a higher price?

The Honourable Dr. Sir M. Azizul Huque: As regards capital goods, where new expansion schemes are brought into being, we issue import licences after consulting the different departments concerned. My Honourable friends are aware that any scheme for which application was made for import licences before 23rd December 1944, licences were automatically issued provided we are satisfied that in each case the applicant has a firm order with an exporter definitely prepared to supply. After that, the question of planning in the different departments came in and if we, in the Commerce Department would have issued free licences to anybody who applied without taking note of the different plans which were being formulated in the different departments, it would have completely upset all the schemes of planning. Therefore it took some time for us to issue licences in order to know as to whether the planning has been finished and this is particularly applicable to textile plants, to vegetable ghee plants, to cement plants and some other plants. But, as I have said before, even in such cases where there were applications before 23rd December 1944 licences were issued automatically without any regard as to the planning done in subsequent months. I might say at this stage that with reference to vegetable ghee plants there were eighty to ninety cases—much more than India can possibly bear. My Honourable friend the other day was telling us that groundnuts should be used as direct food and not used for vegetable ghee. Surely if we had allowed all these 80 to 90 cases without any consideration, it would have affected that position, and therefore we had to issue licences according to plan after consulting the departments concerned and after considering the different applications. We have never worried ourselves—at least during the year 1945—as to what the shipping position is likely to be.

Then comes the question of consumer's goods. So far as consumer's goods from sterling areas are concerned, it depends on their availability and the internal position in those countries. Subject to these factors they are freely issued. As regards the United States of America, we have not been as miserly as my Honourable friend thinks, and my Honourable friend will realize that for the first time last year the balance of trade has been against India as between the U.S.A. and India. In terms of money value only in so far as the commercial imports are concerned, whereas in 1939-40 our total imports from America was valued at about 15 crores of rupees, the total value of imports from America in 1945 has gone up to over 50 crores of rupees. It does not show that there should be any complaint on the ground that licences have not been issued. We are trying our best and as I say the question of the balance of trade between one country and another, particularly when the currency of that country is different from our currency, has to be carefully watched before a free licence policy can be introduced.

Prof. N. G. Ranga: Have the quantities been considered with special reference to higher prices that are being charged for the same commodities that were produced before the war?

The Honourable Dr. Sir M. Azizul Huque: I was not dealing with the question of price at all; I was dealing with the volume of trade. Sir, the balance of trade means both import and export. When I am saying that the balance of trade is against India for the first time, I am taking note of the

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export side of India also, and I think it should be realized that for the last few days I have been hearing speeches in this House advocating that India's exports should be restricted as much as possible. We cannot beat on both sides;—on one side we must issue more licences for import from other countries, and at the same time, on the other side, cut out exports altogether. We have to take note of all these factors. Our policy has not only been co-ordination with all other departments, but to consider the position of India as regards the balance of trade, the question of currency, availability of goods and also in so far as Indian production is concerned, we have to look to the position of India *vis-a-vis* the production in Indian factories. There are certain things which people are anxious to get into India as much as possible. We in the Commerce Department have to watch as to whether that is likely to affect particularly those industries which have been sponsored in wartime in response to the requirements of war, and therefore though an individual applicant may be left with a grievance of his own, I can assure my Honourable friends on the other side that we have been trying our best to keep custody in a manner which is just and reasonable. As I said the other day, we have done our best in this matter.

Mr. Vadilal Lallubhai (Ahmedabad Millowners' Association: Indian Commerce): How have you not been able to exhaust the sum of 20 million dollars?

Mr. President: Order, order. Mr. Mukhopadhyay.

Mr. Nagendranath Mukhopadhyay (Calcutta Suberbs: Non-Muhammadan Urban): Sir I rise to state my views on this Budget which has been presented by the Honourable the Finance Member before this House. He has made certain observations which demand a straight reply: First of all, he says that this is his last Budget. Perhaps he means to say that the caravan has reached the destination and the necessity of the driver is gone, that India is getting freedom this year and no longer will he be required to present another Budget in this House. But I am sorry I cannot share his optimism. I know that some of my countrymen share his views, that they are going to get freedom this year, that the Cabinet Ministers are coming to India to transfer real power to the Indians, but from the experience which I have gained from long association with the British Government, I know that they do not do what they say. From the time of Lord Macaulay we are hearing this and we are dreaming of the glorious days when the power will be transferred to Indians. In World War No. 1 when India contributed men, money and material and helped the war wholeheartedly, they were told that this war was for the establishment of self-government of smaller nations. But what did we find immediately after the war? We had, as a reward, the greatest massacre in Jalianwallabag. The whole nation was shocked; Mahatma Gandhi was shocked; but out of evil cometh good: Mahatma Gandhi, who was a strong supporter of the Government, started non-violent non-co-operation movement.

Mr. President: I am afraid if the Honourable Member goes into ancient history, he will have no time left to speak on the Budget.

Mr. Nagendranath Mukhopadhyay: Sir, I am referring to the Finance Member's remarks that this is his last Budget. I may be permitted to say that in this world War II everybody talked of freedom from exploitation, freedom from domination, freedom from want, and so on. All these things were heard for so many years and now we are getting in return firing on all sides—firing on students of schools and colleges—and holding trials of the Indian National Army who fought for the liberty of India. If that be the mentality, how can we share the optimism of my Honourable friend that the British Ministers are coming to transfer real power to Indians. They cannot afford to do it. They cannot sign their death warrant.

Assuming that the British Ministers, as Maharaj Harish Chandar, are coming to transfer real power to India, as a gift, because of the solemn promises which they have made, what is the legacy they are going to leave behind.

The Honourable Sir Archibald Rowlands has given the picture of India very very beautifully—"poverty, squalor, ill-health, illiteracy, under-nourishment and under-employment." I admire him for his divine frankness; he has drawn the picture of India in one line. Why this poverty? When we come to the country we see that it is devastated, it is ruined, there is no arrangement for irrigation, no arrangement for medicine, no arrangement for education, and the whole country is becoming day by day more and more impoverished. Why? It is due to the British Government, it is due to the systematic exploitation of the country, and especially due to the big cities like Delhi and other big cities where money is profusely spent and villages are ruined. Then you find squalor. What is it due to? I may be permitted to say that an empire which was built by treachery and is propped up by bribery, cannot but have squalor and dirt all round. As regards literacy, I may be permitted to say that after 190 years of British rule, only 10 per cent. of Indians are literate. Why? They did not want to educate us; they

3 P.M. wanted to make some clerks for carrying on this administration, trade and a show of justice in the law courts, and selling agents of foreign medicines, and such other jobs. They wanted to do these things, and they have done so. They cannot go any further. As regards under-nourishment, you see the want of food has become rampant throughout India.

Mr. President: Order, order. Will the Honourable Member resume his seat?

I do not want to interfere with the ideas of the Honourable Member at all. I will only remind him that the scope of the discussion is the budget and not a *post mortem* of the previous history. I do not want to go into the merits. If the Honourable Member wants to make any introductory remarks he may. His point is that the Finance Member is leaving a bad legacy. He may now proceed because he has only a few minutes more.

Mr. Nagendranath Mukhopadhyay: He wants our co-operation. But what do you see? Trials and firing on all sides. How can you have co-operation. Then I come to the remarks: "merciful termination of the war". I say that a dangerous continuation of the war is going on. The warring nations are taking breath and sharpening their knives for another war which will be a war of atomic bombs and cosmic rays. I think there should be an international law forbidding the use of atom bombs, the deadly effect of which we have seen in an Asiatic land like Japan, where by the dropping of an atom bomb one whole city was destroyed. Until India, Egypt, Arabia and China—these are the oldest nations—are free from foreign exploitation and domination, there can be no peace in the world from the moral side.

Then he has made an observation that she has suffered in full measure and in greatest measure in India for reasons of economy. I know in Bengal alone 30 lakhs of people died of starvation and on account of famine in one year. But in the last war, only ten lakhs of people in six years have been killed in the whole of British Empire. So you can easily see where we stand. To cut short my speech, I would simply ask for one thing. For defence Rs. 243 crores have been set apart. As the Honourable Member says the war has ended, so there is no necessity of any further defence now. Russia has been a great friend. America is a bosom friend and Japan and Germany have been totally crushed. What is the necessity of allotting so much for defence? If half of that amount is taken away and utilised for spreading education along lines suggested by Mahatma Gandhi, *viz.*, basic education, I think Indian people will be literate and at the same time will, within a short period, begin to earn something. If the villages are improved by supplying the cultivators with implements of cultivation and manure and other things, if irrigation arrangements are made, if the rivers that are dried up are resuscitated and for the spread of education schools are established and medical help given, these devastated villages will again flourish and will be a growing power in India. To supplement their income, why not introduce the *charka* in every home? Then the want of cloth will be avoided. All these things can be done if an amicable settlement is made between the two nations. Simply by

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saying Grow More Food and stop hoarding, nothing will be done. The first thing is to stop exports and to stop waste. Both these things are going on. Medical arrangements should be made. A co-ordinated scheme throughout India should be started to supplement the budgeted amounts in Provinces for education and health and if a bold start is made for the improvement of India all round, I think within a few years you will see that the villagers are prosperous, the cultivators are fed, they are being educated, they are being supplied with medicine and given all the amenities of life which are humanly possible.

With these remarks I close. I hope my friend will consider the suggestions. It is said that we are living in an electric atmosphere. In an unguarded moment the switch may be pressed and the whole human race may be consumed. It is better to be fore warned.

Mr. P. Mason (Government of India: Nominated Official): Sir, you began this debate by warning us against the dangers of going into too much detail and it was interesting to note that later on in the debate you found it necessary to warn us also against speaking in rather too general and vague terms. I am conscious of the difficulty of avoiding these two rocks. I will begin, Sir, by steering rather nearer to the rock of detail and later rather nearer to the rock of generality. Going back over the speeches which have been made, in my mind, one of the main points which has been raised, I think it was raised first by the Deputy President, was the question of waste. Now, Sir, he put that point; I think, extremely well. In war time a certain amount of waste is almost inevitable among the armed forces, because they want things very quickly and they have got to get them immediately and it is impossible to carry out the detailed checks which we carry out in peace. And I think very understandingly the Deputy President referred to the psychological difficulty of getting away from that atmosphere when hostilities come to an end. Well, Sir, we are trying to overcome that psychological difficulty as well as we can. We sent out repeated letters and circulars to Commands and Commands have passed on those instructions to units and the instructions are very strict. But my friends on the other side will say: "Instructions are all very well. You may set your heart on a policy but it is quite another thing to follow that policy up with determination, to explore it in all its ramifications with thrust and drive, and to bring it to fruition." Well, I cannot go over the whole field, but I might give you one or two examples of the measures we have taken to deal with this matter. Corruption is one form of waste. We have introduced a special police staff which has, in the last three years since they were set up, investigated 886 cases. They have disposed of 660 cases finally and in 70 per cent. of those cases they have obtained convictions. The amount involved in the cases they have investigated is 2 crores and the cost of that organisation is 9 lakhs a year. So that is quite a paying proposition even on those results and of course we must reckon in a fairly considerable preventive value as well.

Another thing is petrol. I am always hearing a great deal about petrol being available in the black market. I have never had any myself but I have heard that it is obtainable. (Interruption by Prof. N. G. Ranga) My Honourable friend has more information than I have.

Prof. N. G. Ranga: He does not need it.

Shri Mohan Lal Saksena (Lucknow Division: Non-Muhammadan Rural): We can get it for you if you want.

Mr. P. Mason: We have in connection with that arranged that every vehicle has with it four returns. The driver has to keep a vehicle account book, a daily running account, a log book and a return of his motor spirit. I do not say that prevents leakage of petrol but it does make it a great deal more difficult. Further, we have reviewed it so to speak from the other end, the end from which petrol comes out and we have asked commands to go through every unit and consider which units they can put back on to a peace time basis and which

they can put back on a kind of modified system, by which it is more difficult than in war to obtain petrol but not so easy as in peace, and which must remain for a short time on a war basis.

Works are also constantly referred to. I did give the House the other day information on that point. I will not go over it all again but I would just refer to one point. Out of 573 major projects which were in process of being started at the termination of hostilities with Japan 322 were stopped immediately, and work was continued only on those which it was uneconomical to leave unfinished.

Another point made by the Deputy President was regarding discussion of the budget in further detail. As the Honourable the Finance Member said it has been accepted that the defence part of the budget estimate shall go before the Standing Finance Committee.

There is one other point which was made I think by the Deputy Leader of the Congress Party, a point of very great importance, which has been constantly before the house and on which I think a few figures would be of value. Mr. Asaf Ali said that the cost of a British soldier was about four times that of an Indian soldier and therefore if you had 2,00,000 Indian soldiers and 50,000 British soldiers, it would be possible (he put it as a purely theoretical case) to send those 50,000 British soldiers out of the country and then be able to have 2,00,000 more Indian soldiers. That is not quite correct. It is correct that an individual British soldier costs more than an individual Indian soldier. The figure is not actually four times as suggested, it is rather less than 2½ times. But that is true of individuals. But armies are not organised by individuals. They are organised by units and the most important part of a unit—one of the most important parts—and certainly the most costly part is the equipment and the equipment is the same both for the Indian soldier and for the British soldier.

Somebody else also raised the same point in relation to the Air Force and suggested that if we sent away the R.A.F. squadrons and replaced them by R.I.A.F. squadrons we could have many more. That also is not quite correct. In the first place, of course, you could not by a stroke of a pen send away the R.A.F. squadrons or the British units because they are much more closely integrated than my friends may possibly realise. For example, every R.A.F. squadron has a certain number of Indian R.I.A.F. men in it and in the same way, although some of the R.I.A.F. squadrons are completely Indianised behind them is the maintenance organisation of the R.A.F. and they cannot be replaced in a moment. The training of the supervisory technical personnel for the maintenance of aircraft is a very long process indeed, and they could not be replaced by Indians by the stroke of a pen. But it is being done. If, however, taking it for the sake of argument that you could replace a British R.A.F. squadron by a fully Indianised R.I.A.F. squadron, leaving the maintenance problem out for the moment, the results would not be quite as is imagined. The cost of a medium bomber squadron R.A.F. is 90 lakhs and that of a R.I.A.F. is 78 lakhs. Unless my arithmetic is wrong it is a proportion of 15 to 13, so that if you could by some miraculous process replace the 13 R.A.F. squadrons you would get 15 R.I.A.F. instead. Though it is not as much as is commonly supposed, it is of course something. I have taken the bomber squadron for an illustration, as it has the most expensive form of equipment with which the R.I.A.F. are equipped for the moment. If you take fighters the proportion would be 5 to 4, 40 lakhs for an R.A.F. fighter squadron as against 32 lakhs for an R.I.A.F. fighter squadron.

I also asked for figures for a regiment of tanks. An R.A.C. British Tank regiment costs very roughly 50 lakhs. An Indian armoured corps regiment roughly costs 35 lakhs. That is a proportion of 10 to 7. I have carried this process a stage further and we have calculated what would be the saving if you could, I repeat, by some miraculous process have Indian units for British units throughout.

Prof. N. G. Ranga: Why should it be a miraculous process?

Mr. P. Mason: I have tried to explain that, Sir. The total defence budget is 245 crores. If you can carry out that process the saving would be rather less than 20 crores. That is of course quite a lot but it is nothing like so much as my friends imagined.

Another point which has been discussed very largely is demobilisation. The figures are 3,00,000 Indian other ranks demobilised or returned to their places by the end of January of this year. In addition, there are 5,000 officers and 30,000 British other ranks. There will be another 1,86,000 Indian other ranks during February and March, which makes a total of 4,86,000 for the first seven or eight months since the end of hostilities. I do not think that there is anything very remarkable in this, but the process is one I hope of gradual acceleration. Getting it started took a little time, because as has been several times pointed out the end of hostilities took us rather by surprise. It came rather sooner than expected. Comparisons have been made with other countries, by which presumably is meant Great Britain and America, where the process has certainly been a great deal faster. But they have had two advantages. They expected the end of the war in Europe earlier than it came, whereas we in India expected the end of the war with Japan later than it came about; and they were able on account of their situation to start a certain amount of demobilisation after V. E. Day, so that they had a flying start for V. J. Day.

Prof. N. G. Ranga: Was it not a fact that you said you would demobilise 9 lakhs of men by May?

Mr. P. Mason: I am not giving way.

Prof. N. G. Ranga: You published it in a press communique that 9 lakhs were expected to be demobilised.

Mr. P. Mason: I do not know whether it was 9 lakhs: I think we said 7; we were certainly hoping it would be something very much better than it has been (Interruptions).

Mr. President: Order, order.

Mr. P. Mason: As I say, I think that process will be accelerated. My friend the Leader of the European Group asked whether the bottle neck was resettlement or whether it was the mechanics of discharging men. It is not exactly either, but it is rather more the latter. It is definitely not resettlement. We did consider the possibility of slowing up demobilisation until resettlement plans were ready in every particular. But we came to the conclusion—and I am sure it was right—that to keep a man on in the army doing nothing merely because you had not got things ready for him when he went out of it was wrong. That is the answer to that.

With regard to the mechanics of it, one difficulty was getting the whole big machinery which built up the army into reverse. That has now been done. But the second thing was that troops did not come back from overseas as we expected. That process has now begun and the flow is increasing rapidly. As the Commander-in-Chief announced the other day in the Council of State, they have begun to come back from South East Asia and that will continue during the next four months.

Now, Sir, I have mentioned some of the points which my friends have raised. I am going to make a present to them of two points which they have not raised so far—points which struck me and which we have looked into further. It struck me that training and recruitment were both things on which we might have been able to cut down a good deal faster in the coming year; and I have been making inquiries about that. The training will never come down to anything like the pre-war figure; because in the first place equipment is so much more expensive and so much more complicated. It takes very much more time for the soldier to learn its use. Secondly the training has become so much more complicated and the technique of warfare has become so much more specialised that far more schools have to be maintained. So that, we

shall never get back to anything like pre-war level. But I do think that it may be possible to cut down a little below the figure which has been given in the budget, and that is being examined now, as to whether we can. I should also explain that this is rather a good example, I think, of a process which applies over the whole field of defence expenditure. Something which was set up in order to build is being used to 'unbuild', if I may use the term. The infantry training centre consisted during the war of so many training companies, each company training for an active battalion. What we have done is that all of these training companies except one, which is going on training for all the active battalions, all but one have been disbanded. But the N.C.O.'s and trained men have been used to make demobilisation companies and the remaining companies of that training centre are being used as a kind of demobilisation machine through which the men go when they come back; and that will come to an end when demobilisation is complete.

In the same way recruiting has not come down to quite so much as I expected; one reason is that recruiting now caters not only for the army but also for the air force and for the navy, which it did not do before the war. The other reason is that at the moment a large part of the recruiting organisation is being used for resettlement, because although our friends in the Labour Department have made great progress with their arrangements, they are not quite ready; and as I say, we take the position that we will not wait for it and we would pass the men out and our recruiting officers are therefore being used as labour exchanges.

One further point raised by the European Group was this: priorities on trunk calls on telephones. I must say I do agree with him there and we have recently in conjunction with the Posts and Telegraphs Department had a very thorough examination of the whole procedure. I entirely agree with him that there can be no question of automatic priority for military traffic; and in fact they never had that. What there has been is that military officers down to a certain level were entitled to use priority when they thought it was necessary and they did get into the habit—I frankly admit that—during the war of thinking that necessity had arisen pretty often. We have told them all that they have to be very much more careful and they must reduce very considerably the numbers who are entitled to use priority, and that has only been done recently and I do not think it has had time yet to bear fruit. I hope in 'two months' time it will bear fruit; and if the Honourable Member will write to me then and say that he is still experiencing the same difficulty, we will think what more we can do. I am not quite so well up in the question of air passages, but I agree with him there also, that priorities should be revised and I will have that also examined.

Japan was mentioned by my friend Mr. Jaffer. Here I think it is usually a good plan when we are criticised,—and that is roughly speaking every time we make a decision—there to think what would have been said if we had decided the other way. What would have been said had we said that no Indian troops were to go to Japan.....

Prof. N. G. Ranga: We would have hailed it.

Mr. P. Mason: I am quite sure that some of my Honourable Friends—not possibly the one who just interrupted....

Prof. N. G. Ranga: No one on the elected benches.

Mr. P. Mason: I am quite sure that some of them....

Prof. N. G. Ranga: No; not one.

Mr. President: Order, order. The Honourable Member must not go on interrupting like this: The War Secretary is putting his view of the case before the House.

Prof. N. G. Ranga: He has no right to speak for us.

Mr. President: Order, order: constant interruptions and interjections do not help in the debate at all.

Prof. N. G. Ranga: He cannot go on making wrong statements.

Mr. President: He can make his statement as he likes, right or wrong. When the Honourable Member gets his turn he can reply.

Prof. N. G. Ranga: We are here to contest it at every stage.

Mr. President: Not at every stage.

Mr. P. Mason: As I was saying, I think that some of my friends—I do not say who, but I think some of them would have said "The Indian soldier is good enough to fight but he is not good enough to come forward and take his place with the victorious troops after the war is over!" In fact I have seen one question addressed in the other House which suggests that we ought also to have provided an occupational force for Germany. We took the middle course and provided one for one country and not for the other; and no doubt we shall be criticised on both grounds.

If I may come rather nearer to the other rock, the rock of generalisation, this mechanism which was built up during the six years of war was built up with immense effort. I can say that at first hand because either in General Headquarters or in South East Asia Command I was in it from the beginning of the war; and at times I must say that one had the feeling of frustration at the difficulties and the immense effort which was needed to get anything done. One felt one was pushing the whole time and nothing was happening; but in spite of those groanings and travailings—groanings which sometimes seemed almost deafening—we did gradually get it built up; and personally I am proud of the machine which was created. But to suppose that that machine which was built up in six years can be undone in six months is asking too much of any one. And it is surprising to me how much effort it also means to undo what we did do during those six years. One has to push very nearly as hard to get undone what we then pushed so hard to get done. I can give an example. Every executive officer knows the stage when he knows he is overworked and he must get some help. Well he tries to convince other people that he needs an extra officer and he has to get quite a large number of authorities to agree. He pushes the proposal hard and at last he gets an officer. Well, now we have got to persuade him to get rid of that officer and again we have got to push back from the top and persuade him that he has to get rid of that officer. He is reluctant to get rid of that officer, he feels that at any moment there may be some terrific spate of work, some terrific rush of supplementary questions in the Assembly which will put on him additional labour. But I can assure my Honourable friend that we are applying that pressure and trying to reduce as fast as we can.

Somebody said, I forget who it was, that this budget which ought to have been a peace budget was really a war budget. Well, I agree that in size it does compare with budgets in the earlier stages of the war but here I would like to quote from my friend the Deputy Leader of the Congress Party who, as on so many occasions, said much in his speech with which I agree very warmly. He said that India is in a very dangerous position. The world is in a ferment. He pointed out the dangers on the North West and the North East, both of which, I agree with him, are very real dangers. He spoke of India being in the future the policeman, as well as the arsenal of the East. I must say that I was very glad to hear him say that, just as I was very glad last week to hear him and the Deputy Leader of the Muslim League speak of the pride which they felt in India's armed forces. If India is going to be the policeman and the arsenal of the East—and I hope she will and I am sure that she will take a place consistent with her greatness, and that she will use her strength in the case of peace,—if she is to take that place she must have armed forces and she will have to pay for them and it would be folly to throw away all the experience that we have gained in the last six years and all the organisation that has been built up and get rid of it at such a speed that it would be waste.

I should like to look back for a moment into the days before the war and to remember,—with a good deal of shame—the fact that the natural policemen and arsenals of the West, who were the United Kingdom and the United States, tried to fulfil those roles without paying for them; and I think that was a very considerable cause of the misery and bloodshed that we have been through in the last six years I hope, Sir, that India will not make the same mistake.

Mr. Sasanka Sekhar Sanyal (Presidency Division: Non-Muhammadan Rural): May I at this stage make mention of one fact. Unfortunately I have been suffering from ill-health for two or three days. I felt unwell and myself and my friend Mr. Debendra Lal Khan were proceeding home to our quarters. The roads were blocked. We want to know whether traffic to and from the Assembly Chamber has been blocked to the knowledge of our President. If not who is responsible for this. As President, you will kindly consider whether it is consistent with the dignity of the House to allow traffic to and from the Assembly to be treated like this.

Mr. Ahmed E. H. Jaffer: My car was also stopped.

Mr. President: The point is now before us. Every member need not support the statement that the roads were blocked. I do not know what the orders are.

Mr. P. Mason: I am not aware of the orders but without information as to details, I should have *prima facie* supposed that possibly one road was blocked to let traffic to move in one direction but the men who were stopped were probably asked to go round by another road

Mr. Sasanka Sekhar Sanyal: That is not correct. I do not know what is the function of the people on duty. We definitely said that we wanted to go to Ferozeshah Road and Canning Lane which are our quarters and they said that they had definite instructions that the parade was passing and they would not allow traffic to go. We tried several rounds, round this Chamber. Everything was blocked and we were forced back into the Chamber.

Mr. P. Mason: I am glad to see that the Honourable Member has surmounted this difficulty and managed to get in here. I will make inquiries and find out.

Mr. President: His complaint is the other way about. He wanted to go home and has been stopped.

Mr. P. Mason: If the Honourable Member will speak to me outside, I will make some arrangements for him.

Mr. Sasanka Sekhar Sanyal: Is it necessary that we should break the law and go home? Some arrangement must be made.

Mr. President: No advice on that point will be asked. The Honourable Member will make arrangements.

Mr. Sukhdev Udhowdas (Sind: Non-Muhammadan Rural): Before I begin my speech, I will read a few words from the budget speech of the Honourable the Finance Member. He says: "the monstrous ambitions of the Fascist dictatorships have been utterly destroyed." Will he forecast "when British Imperialism in India, which is as monstrous as any dictatorship, will be utterly destroyed?"

Now, Sir, on the budget I want to say what ordinary people in the street were expecting in this Budget. They thought that the war is over. For six years they have suffered day and night and now they will be given something. They thought that the salt tax would be abolished. The price of the post card would be reduced to half an anna, that the duty on kerosene, matches and betel-nuts would be abolished and relief would be given to the income-tax payers whose income is up to Rs. 8,000. But nothing was done by this Finance Minister. Perhaps he was thinking of pleasing the rich capitalists who

[Mr. Sukhdev Udhowdas.]

helped him in this war. In 1942 the nation rose in protest against the incarceration of our leaders. Then these very capitalists came to the assistance of this Imperialistic Government and it is perhaps of this that they have been given the first gratuity, the abolition of the E. P. T. This they have got for their treachery to the country, though it is called loyalty to the British Government. I think the days are coming when they should open their eyes and be patriots. Some relief has been given to the middle class with fixed income but the present budget continues to be a war budget. The war was over in Europe ten months back and in the Far East six months back. Yet the reduction effected in the expenditure of the army during 1944-45 is only 4½ per cent. Although there is no war this year, 445 crores have been provided for it which is more than double the provision for civil expenditure. 69 per cent. has to be spent on army in this peace time, which is a colossal drain on our slender resources. This is all due to our Rulers' Imperialistic policy to maintain a British army of occupation. Under a National Government such a huge army will not be maintained as India has no territorial ambitions and every Indian will be a reserve in the National Army.

Now, I come to agriculture. Since the commencement of the war the food situation showed signs of deterioration and in spite of the Food Department and the Grow More Food campaign, the production of foodgrains has not increased and the situation has gone from bad to worse from year to year. In 1943 we lost 3½ million lives from starvation and caused loss of vitality to 10 million who could not die. Now, we are faced with a country-wide famine and unless foreigners come to our rescue, we do not know what will happen in this country. What has been the achievement of the Agriculture and the Food Departments to improve the production and distribution of food in this country? Unless these Departments are handled by our National Government, under whose inspiration and guidance officers work zealously and in missionary spirit, no real progress can be expected.

The health of the masses of India is in a very deplorable condition. Yesterday we read in the newspapers about the Bhore Committee report. It gives some very sensational figures. Child mortality is 158 per thousand; there are 2 lakhs of maternity casualties every year; 10 crores of people annually suffer from malaria, out of which 2 million die; there are 2½ million tuberculosis patients. This is a verdict on our Rulers' criminal neglect of the people's health. To meet the minimum requirements, we want a national health plan. We need five times more doctors; hundred times more nurses; two hundred times more midwives and so on.

Now about the postal needs. The unfortunate feature of the present budget is that in spite of a huge saving from the working of the Posts and Telegraphs Department, relief is not at all given to the poor Posts and Telegraphs employees who have worked loyally and faithfully on a pittance all these years under a heavy strain and nothing has been done for them; nor has any relief been given to the poor population in the shape of the reduction of postal charges.

One hundred and fifty controls are said to have been removed, but we wish that all controls ought to be removed. As long as there are controls, there will be black markets. We wish the control on cloth and food to be removed. No sooner you remove controls, all the stuff comes into the market. It will be a little dear but all will get it.

As regards post-war planning and development, nothing has been done. We thought that during these six years of war, shipbuilding, aeroplane industry and some heavy industries would be introduced in India. But this British Imperialistic Government does not like this. They wish that we should purchase everything from England. Therefore, we should not expect anything from them but we make them quit India.

As regards demobilisation, I would give a little advice to the Government. Demobilisation priority should be given to that section of the army which was recruited from the peasantry and from country-side. It is they who are the tillers of the soil. They should be demobilised at once so that they should be able to go back to their land and cultivate it and solve the problem of this food muddle. They should not go back empty-handed. Seed should be provided to them and implements should be given to them and even those who have not got bullocks or even a piece of land, they should be supplied with these things free of charge. It is in this way that we will be able to solve the food problem and also we will help these poor people to go and settle in the country.

As regards sterling balances, many Members have spoken but I want to suggest that as His Majesty's Government is going to get a huge loan from the American Government, why should they not part with a portion in part repayment of our sterling balances, so that our industrialists—though they have been traitors to our country, yet they are our people—should purchase machinery from America and repair and renovate their industry. With these few remarks I resume my seat.

Choudhury Md. Abd Hussain (Bhagalpur Division: Muhammadan): Sir, the budget which was presented the other day is the first post-war budget and it may rightly be called a transitional period budget, because it marks the transition of India's finance from war to peace time basis and; hence it must be looked into cautiously. The first impression which it makes upon the reader's mind is that the Finance Member has tried his utmost to please all sections of people. But if you go deeper into it, you will find that he has done more for the rich than for the poor. The Finance Member has succeeded to a great extent in minimising the burden of the rich people and has done nothing for those who were really in need of it, namely, the poor people. If we analyse the taxation system, at the very outset we feel that the eyes of the Finance Member fell, first of all, upon the rich people and he has given them relief by altogether discontinuing the E. P. T. No doubt this tax was the outcome of war period and it must go. But the Honourable the Finance Member in likewise should have thought for the poor. By taking away this E. P. T., he is only helping the rich to become richer. It is this class of people who have benefited most from the war. They have earned so much during the war that they really do not know where to keep their riches and how to spend them. My point is that the Finance Member ought to have devised some means to improve the condition of the poor people, he must have provided them with food, clothing and other betterments of life. He should have given help for development of agriculture. What will you find if you go to a village, poverty prevails everywhere, they live under the most unhygienic conditions, they have no wholesome food. Yet the richer people still expect them to work hard and hard. The irony of fate is that the rich people have to live on the toils of these labourers. If these labourers do not work hard, if they do not plough the fields, and if they do not study the wheather what would be the result? The result would be starvation on all sides. My point is that there should be provision made for improved methods of agriculture for these people for improved means of communication, etc. They should be given better education so that they could cultivate lands on modern lines. My point is India's wealth should be utilised in the best possible manner for the uplift of the poor people in the country. This could have been done if the Government could have cut down the defence expenditure and utilised the saving for the poor people. By the extinction of E. P. T., the Finance Member has simply tried to make India more industrialised. No doubt industrialisation should be done but all the facilities which he has given are mainly for the rich people. Now he should look to the actual needs of the poor also. These industrialists have a lot of money, but they never care for the welfare of the labourers, they do not increase the wages of the workers, they neglect the housing, the food and clothing of the workers. Every

[Choudhury Md. Abid Hussain.]

day we read in the newspapers that strikes are taking place in mills, sometimes in this mill and sometimes in that mill, not because the labourers want a share in the capital of the mills, but simply because they want so much that they can afford to live in a better way, so much that they can have wholesome food, so much that they can cover their nakedness. The object of helping the poor has been frustrated by the measure which the Honourable the Finance Member has taken in giving this E. P. T. relief to the industrialists who thrive on the toils of their workers.

Now, I come to the petrol tax. Relief is given in the duty on petrol. The petrol duty has been reduced by three annas. As against this, the reduction in duty on kerosene is only less than an anna. This means that the Finance Member is again helping the rich as against the poor. Who are the people who use kerosene? It is the poor villagers. Even this reduction in duty on kerosene would, I am afraid, go into the pockets of the middleman, because these villagers have to live on the mercy of the small shopkeepers in the villages who generally supply these commodities to them on credit, and thereby these shopkeepers have a hold upon the poor villager. If the shopkeeper supplies kerosene oil, he will charge the same old price and supply the same quantity of oil as before.

The tax on raw cotton is the same as before. I am afraid this will hit a great deal the handloom weaving industry. The handloom weavers cannot compete with the mills. From the outset, it appears that all the measures of relief proposed by the Finance Member are such as to grant special concessions only to the rich. Depreciation allowance of 10 per cent. on new buildings, 20 per cent. on new plants and, relief in customs duty on raw materials—all these are meant for the rich people. As against these, what does the Finance Member propose by way of relief to the poor? There is no reduction of salt tax, which is consumed by all sections of people, no reduction in price of post cards, no reduction in money order commissions. All these had gone up during the war, and it is only fair that since the war is over, these extra charges should have been removed. The next thing which the Finance Member has taxed is the betel-nut. It is well known that whenever anybody goes to a village as a guest of some one, the first thing that is offered to him is *pan* and betel-nuts. But even this small luxury the Finance Member would not allow to the poor.

Looking at the budget, at the first glance, one sees a deficit of 144.95 crores during the current year and a deficit of 48.71 crores for the next year. The defence expenditure is more than eight times that of pre-war figure and even next year it is high, as high as six times. Though the war has already ended, still we see the defence expenditure not coming down. The same is the case with civil expenditure. The amalgamation of surcharge on income-tax with basic rates is also a dangerous step which would, result in keeping the tax as high as possible on lower incomes. On the whole, I see that a large majority of people have not got any relief from this budget.

Mr. President: Before I call upon the Honourable Member Mr. Ananda Mohan Poddar to deliver his speech, I might explain to the House that the Honourable Member is not keeping well and he cannot stand. He has therefore asked my permission to deliver his speech while being seated and I have permitted him to do so.

I might also mention now that, I propose to call the Honourable the Finance Member to speak at about 4.25 p.m. today. I hope that time will suffice for him. If necessary, the House may continue for five or ten minutes after 5 p.m.

The Honourable Sir Archibald Rowlands: That is enough, Sir.

Mr. Ananda Mohan Poddar (Bengal Mahajan Sabha: Indian Commerce): Sir, at the outset, I offer my grateful thanks to you, Sir, for the kind privilege of allowing me to speak from my seat and I also ask my brother colleagues to kindly realise my position and show their indulgence to me.

Sir Archibald in the opening sentence of his budget speech said that it would be the last budget to be presented by a British Finance Member. This is an indication which, I think, Sir Archibald, has been made to feel that the British Rule in India is reaching the extreme end of its existence. If this indication of his feeling genuine and sincere, I think I would first of all congratulate him before I offer him my compliments for preparing a budget in a critical time like this which has some very satisfactory features: aiming at the construction and development of national industries.

The end of the war and the consequent easing of the position have obviously helped him to formulate some constructive schemes for the well being of the country. He has contemplated setting up a Taxation Committee, and he has 4 P.M. also made proposals for the National Investment Board and the Industrial Finance Corporation. These proposals are certainly of utmost importance for any planned economic growth in the country. But, Sir, it is a controversial point, whether the existing Government is competent to tackle these problems at the present moment in the absence of necessary resources which have not been found out by Sir Archibald in his budget estimate. However, Sir, I feel strongly that these proposals must be entirely left for the Indian National Government which is coming very soon.

The Budget as a whole, I must say, is wholly disappointing. The war ended in May last year and Japan surrendered in September last but still the revised estimate of defence expenditure for 1945-46 is Rs. 376 crores against the original estimate of Rs. 394 crores showing a reduction of only 18 crores. Then, Sir, the defence expenditure, budgeted for this year—1946-47—is Rs. 244 crores which has been attributed to the cost of demobilisation. But in this connection Sir Archibald has given out that some portion of this will be spent on the maintenance of our Indian soldiers who have been stationed in Japan. Sir, I take serious exception to this sort of thing which has now been thrust on us, and which has been inflicted on the Indian finance without the previous sanction of the Honourable Members of this House. Indian troops have been stationed in Japan, and the irony of fate is that my Honourable friend, Sir Archibald, has stated that Indian occupation in Japan will evince India's advanced political status. I take serious exception to this. What is today the actual status of India? I feel, Sir, that this has not been done in the ordinary course, and as it has come through the statement of my Honourable friend in the budget estimate, I think it is our duty to refuse it. He has talked of advanced political status, but I think our's is in no way better than the Egyptian Status. He talks of status; it is no status, but he wants to give us false allurements which may induce some of my countrymen to sanction this item. We must legitimately do away with it. I am glad that it has now come within the competency of the Honourable Members of this House, and we should refuse it entirely.

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

I would like to point this out from his budget speech:

"Apart from the great part played by her Armed forces in the subjugation of the Japanese, India's representation amongst the forces of occupation is an appropriate and inevitable recognition of her international importance."

It is not a correct statement which we can accept. It is a misnomer.

Sir, in respect of the heavy civil expenditure, I would like to point out that these have not been curtailed in any way. Sir Archibald would have done well to attempt to snatch away some money from this item for the benefit of the poor people and for the amelioration of the miserable condition of the general mass who have been practically ignored by the Finance Member. I would like to say that I realize the difficulties of Government in undertaking immediate retrenchment and cutting down the scales of their existing Departments, but as the war was over quite a long time ago he ought to have made some attempts to cut down the staff which is employed without any work whatsoever. The

[Mr. Ananda Mohan Poddar.]

money which would become available by scaling down all this unnecessary staff, which is now a heavy burden on the Indian exchequer, would have provided some relief to the poor who have been left out in the preparation of this Budget. I would like to point out one very grave thing. Here, Sir, we have come to listen to many big things about the impending famine, but, alas, Sir Archibald has got no statement, no machinery, no measures to announce in respect of this impending famine. Neither has he indicated lines as to how the India Government propose to deal successfully with this famine question, and how they are going financially to mitigate the sufferings of the impending famine of which we have heard so much, if not to stop the famine altogether. I think he ought to have made this statement. But sorry, he has absolutely refrained from making any announcement in this vital matter. The majority of the population has suffered and sustained extreme miseries during the long period of seven years of war when their very existence was threatened. I would ask Sir Archibald to take note of this and see that some sort of relief is given. He has abolished the excess profits tax and given us relief. We can afford to lose all these things for the sake of our poorer brethren. I may say that he has shown very little sympathy by reducing nine pies tax on kerosene but he has reduced it by three annas in the case of petrol which concerns the richer section.

The Honourable Sir Archibald Rowlands: He has been paying fifteen annas!

Mr. Ananda Mohan Poddar: Yes, now reduced to twelve annas—i.e., a relief by three annas. But there should be an attempt for abolition of duties on betel-nuts, tobacco, salt and sugar at least. I have to remark that Sir Archibald did not care to know that these foodstuffs of daily life are not used for luxury but these are of imperative necessity to the labourers and agriculturists of our country. He should take note of it. Our country demands absolute abolition of these uncalled for taxes in a time like this especially after our countrymen have sustained extreme troubles and hardships during the long period of seven years of war. He should make it a point to give some relief to the poor otherwise he will have to face serious opposition and cut after cut motions unless there is an adequate provision of relief for the poor in his budget.

I would take one minute more. There is a vast area of fallow lands which has not been considered in the budget. Sir Archibald should undertake a comprehensive scheme so that the uncultivated area can be gradually taken under the plough and this will contribute to solving the problem of famine to a great extent.

Mr. Ahmed E. H. Jaffer: On a point of order. Will the Honourable the War Secretary ask the authorities not to allow these planes to fly so low over the House when the Assembly is in session because they cause unnecessary disturbance.

Mr. Ananda Mohan Poddar: You need not worry about this now,—we will catch him on the point of cut motions when he will have to revise all these things. I will lastly make a humanitarian appeal to my Honourable friend, Sir Archibald to revise his estimates before we deal with the cut motions for an adequate amelioration to the poorer sections of the population who have been neglected.

Mr. Deputy President: Mr. Gounder. The Honourable Member has only ten minutes to speak.

Sri V. O. Vellingiri Gounder (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I would like to say a very few words as most of the subjects have been dealt with by my other colleagues. I am mostly interested in village welfare. I should like to say something in what way the Honourable the Finance Member has arranged to conquer the enemies which he has clearly pointed out in his budget speech. All these enemies he has pointed out as lying in the villages and not at all in the towns. The towns are growing

at the cost of the villages. From the advent of British administration these villages have been isolated and every amount of collection and taxation to a very large amount is spent upon the improvement of big urban areas and in presidency towns and in the construction of big trunk roads. In these areas, Sir, there are any amount of devastations, still going on and especially after the declaration of war these devastations have become complete, I should say. Along with that declaration of war came controls. The controls have no meaning at all especially to the villagers and the more the controls came the villagers have been drifting into the town areas. They are not able to get anything in the villages. This procurement work, and the food control work, all this brought more and more the villager to the town to get something for his livelihood and this position has been made all the more difficult, and in these methods, whatever you have heard about the additional income to the agriculturist, it is only for one year or so. Some improvement was noticed in the village. Soon after these controls multiplied and procurement of grain and the price of necessities of the villager grew up largely. This was not on account of any commodity being scarce but because of the black-market. The black-market grew more as more controls came into being. I would like to dilate more on village conditions prevailing if I had more time when I can clearly point out what the natural cause of destruction is and what the position is. I would like to say one or two things with regard to irrigation and with regard to technical departments and with regard to the other requirements in connection with the Grow More Food Campaign. With regard to irrigation I would say that the policy adopted is only to that extent the official knowledge goes, without understanding local conditions either with regard to big irrigation or small irrigation schemes. With regard to big irrigation works that were started, the object was that they should be remunerative and made to pay a certain percentage. So far as our Province is concerned they are to give 5 per cent. But their actual incomes are not so when calculated. I know, Sir, that in such big irrigation schemes the Government of India helps. As soon as an irrigation work is opened all other works necessary in connection with that expansion are put down in statistics. But there were nearly a lakh of acres under the big irrigation works "Mettur" which have yet to be brought under cultivation. Though it is more than ten years since the works were started, it is only now after the starting of the "Grow More Food Campaign" that it came to the knowledge of the P. W. D. that there was this vast tract of land which could be brought under cultivation. So it appears the money available for the "Grow More Food Campaign" was spent feverishly on this land. I understand that this amount of money was completely wasted. Not only did the Government waste it but made the agriculturists also to waste their money. They just sowed the seed on the land but they had no labour, no implements, no bullocks and there was not even proper ways to go into these land newly brought under irrigation. Tracts in other plans were water-logged or not properly irrigated with an adequate amount of water in many delta areas.

With regard to minor irrigation, it is a tragedy that since the advent of the British administration in India minor irrigation works have been completely neglected. I know as a matter of fact that several irrigation tanks have been neglected and their irrigation channels have been completely gone into ruins. Even under this Grow More Food campaign I have noticed that one tank which was irrigating double crop on a land has been neglected. It is in this way that the Grow More Food campaign has failed. Minor irrigation is going to play a very great part in agriculture, if proper attention is devoted to it. It should not be considered as a productive thing. Although it will not be productive immediately in course of time it confers an indirect benefit on that part of the country. They will be of great use in a tract where there is precarious rainfall and it would be wise to get expert knowledge if necessary even from outside—and put them in order at once. If you are going to spend 99 crores on irrigation, minor irrigation should be given the first opportunity

[Sri V. C. Vellingiri Gounder]

to be developed. The water table should be brought near. Rainfall has not been properly stored up in the higher regions.

One important point which the Agricultural Department should take notice of is the question of implements. Without implements the agriculturist will be able to do nothing at all. England which yields only coal and iron has been able to increase its production of food by 50 per cent. That country was able to convert more land in the course of two or three years than our country, which has got an ancient system of irrigation, and it has not been able to do it in the course of 6 years. The Industries Department cannot even make an implement to cut the wool of a sheep, because the engineer says that there is no proper metal available in the country. The tractors can be manufactured in this country. At least the ordinance factories which have been started in India on account of the war can be converted into agricultural machinery manufacturing factories. It is not very difficult, if you only want to do it.

Mr. Deputy President: The Honourable Member's time is up.

Sri V. C. Vellingiri Gounder: I will have an opportunity to speak when the cut motions come.

Raja Sir Saiyid Ahmad Ali Khan Alawee (Nominated Non-Official): Sir, I am very thankful to the Honourable the Finance Member for giving me this time from his time. I must thank him from my heart because I could not get an opportunity in spite of my best efforts.

Sir, the Honourable the Finance Member deserves my warm congratulations on producing a budget which has received unanimous support from all sides of the House. I believe he is the most fortunate among the Finance Members to get that support from this House.

I would like to be as brief as possible and take no undue advantage of the kindness of the Honourable the Finance Member. I come from a rural area and whatever I will say is meant for the benefit of that area. I am not competent to speak for the urban area or the civilised portion of the country.

There is one thing which the Honourable the Finance Member has said. He said:

"The monstrous ambitions of the Fascists dictatorships have been utterly destroyed and the peace-loving and democratic nations can look forward to the building of a new world in the confidence that for many years to come their plans will not be frustrated and set at naught by the threat of external aggression."

I wish I can share that optimism. I myself have a feeling of pessimism so far as the future is concerned especially when I hear from some sides of the House that the Indian defence forces should be cut down. A nation with a strong army alone can defend itself in these days. It is only with brute force that you can meet an enemy, whether it be from inside or outside. Our position should be as strong as possible and I think I am right in saying that in so far as war budget is concerned we should be very careful in bringing it down. We must have a very strong army to defend ourselves; and if the policy of the Congress Party according to what the Deputy Leader of that party said yesterday is that India should be the patrol and police of the East and the arsenal of the East, then our responsibility becomes very great indeed. I think it is very easy to say it, but if we really mean it we will find that we have to take up the question very seriously. There can be no more of the policy of non-violence. It will be all violence, with all engines of violence. The Honourable the Finance Member has warned us about the whole array of dangerous and enduring enemies—poverty, squalor, ill-health, illiteracy, under-nourishment, and under-employment which are threatening this country from all sides and of which the most formidable enemy is poverty. May I Sir, with his permission, add another most formidable enemy, and it is the gross neglect of the Government in the past towards the betterment and improvement of the general lot of people. He further said that all these centre round poverty and he assures us that if we are able to overcome this enemy we will be able to

meet other allied enemies with advantage. But I am sorry to find that in the preparation of this budget the poor man's economy finds no place. Hardly any efforts are available in the budget to cut down the top heavy expenses for the various services and to lighten the poor man's burden of taxes.

The abolition of the Excess Profits Tax is no relief to the poor who continue to suffer on account of high prices of daily necessities required for general consumption. Here I would appeal to millowners and other industrialists, that now that E. P. T. has gone, they should voluntarily reduce the prices of cloth and other commodities of life.

The tax on imported betel nut has been increased. I wish it could have been decreased, if not wiped off. I am going to offer one of my *pans* to the Honourable the Finance Member and he will understand how the betel nut is useful for every one of us in India, whether he is rich or poor.

The other tax to be lowered from the point of view of the poor man should have been the reduction of duties on the most essential necessities of life, such as sugar, tobacco, and also a reduction in the postal rates. The railways and the Posts and Telegraphs Department have been making very large profits during the war period.

Unfortunately, agriculture and cottage industries are all provincial subjects, but if we really are aiming to have a happy and contented India in our minds, then these rural indigenous industries should have a prominent place in shaping the economic evolution of the rural areas. I believe it will be admitted by all sides that the real Mother India is located in our villages and the country's pride should be its strong and healthy yeomanry.

The 'Grow More Food' campaign still remains a slogan like many other slogans such as 'Quit India', 'Divide and quit India', or 'Delhi Chalo'. This should be a countrywide campaign and the Central Government should see that the arable land gets under plough and its fertility and productiveness increases. To leave it only to Provincial Governments with limited spheres of activity and resources will not produce the desired result at the opportune time. And let me submit, Sir, that no post-war planning development scheme for India can be complete and successful if it is not effective both for the development of industries and agriculture as two distinct development schemes for our father-land.

Mr. Deputy President: The Honourable Member has got one minute more.

Raja Sir Saiyid Ahmad Ali Khan Alawee: I will finish, Sir, in one minute. These two developments of industries and of agriculture should be two distinct developments for India. We should not have a very elaborate scheme only for the town folk and nothing for the villages in all parts of the country. A poor villager is as much deserving of most of the amenities of life which are within the reach of the town people.

I am glad to note that the Government contemplates the possibility of setting up Model Housing Schemes in selected villages in Delhi or other centrally administered areas. Perhaps if a beginning in this direction is also recommended to be made to the Provincial Governments it will go a long way in encouraging model housing in the rural areas.

What I would suggest is that a central as well as provincial subsidy be given and if the village is owned by a well-to-do landlord, he should also subsidise in model housing scheme and for the betterment of the village sanitation. We should make a start in some villages in every province as soon as possible and the result, I am sure, it will be a success.

Mr. Deputy President: The Honourable Member's time is up.

Raja Sir Saiyid Ahmad Ali Khan Alawee: Sir, I will only say a few words about infant mortality. The whole thing has been brought out very well in the Bhore Committee Report and I think it is a position for which every Indian should feel. We should take up the question of health and medicine in the countryside. There are few hospitals and few doctors and there is the scarcity

[Raja Sir Saiyid Ahmād Ali Khan Alvi]

of the medicine. That is the position today. Where there are hospitals and there are patients and there are also doctors there is no medicine. This question must be taken up and remedied as quickly as possible. I shall not take up any more of the time. I will mention only one point. I would like to say that the question of providing amenities to agricultural labour should be taken up seriously, as seriously as for urban labour. They are far worse than the industrial labour. Labour in towns can go to cinemas and have some relaxation and leisure; but the village labourer ploughs the land the whole time and when he goes home he probably has only one meal a day. That is a thing of which we all should feel ashamed.

The Honourable Sir Archibald Rowlands: Sir, nobody can accuse me of not being a sportsman; but, if I had known that my Honourable friend the Raja would be so critical, I might have been less forthcoming.

With your permission, Sir, and the indulgence of the House, I should like in the first part of my reply to pay rather close attention to my notes. There are one or two matters of importance that I want to say and I do not want their significance to be qualified by bad phrases or ambiguous terms.

I have little cause for complaint about the way that this debate has proceeded. It is true a number of brickbats have been thrown at me, but I have a feeling that they have been hurled more in sorrow than in anger

An Honourable Member: What about the bouquets?

The Honourable Sir Archibald Rowlands: I am just coming to the bouquets. Honourable Members have also thrown several bouquets, which I must gratefully acknowledge, even if the cards which accompanied some of them detracted somewhat from the fragrance of the flowers. My Honourable friend, Pandit Balkrishna Sharma, for example, sent a most lovely bouquet with a card which read with a charming and most disarming note, which has quite lamentably failed to achieve the object which it set out to achieve. Of the several bouquets I have received, the one that has given me the greatest pleasure has come from a quarter which does not normally regard these benches with an excess of affection. I am referring to the comment in a newspaper which I shall not more closely identify than by saying that it is one of India's leading journals and that I do not normally read except when it contains the work of one of the world's most distinguished cartoonists. The comment was to the effect that my Budget might have been framed by an Indian Finance Member. I know how difficult it is for the West to don with dignity the clothes of the East but I can honestly say that, in formulating my proposals, I tried to keep prominently in mind the task which, in a few months time, will confront my successor.

Now, Sir, before proceeding to deal with the main criticisms that have been levelled against my Budget, I should like to pay tribute to the speech of the Deputy Leader of the Congress Party. While Mr. Asaf Ali would not expect me to agree with all that he said and while, as I shall attempt to show later on, he has at least to some extent, missed the inwardness of my proposals, his approach and the general tone and tenor of his speech are, in my humble judgment, exactly what is required at the present time. If, during the next two or three months which are pregnant with destiny for India, the British Commonwealth and the world, we can go on sweetening the atmosphere in the way that Mr. Asaf Ali has sought to do, then I am certain, I am absolutely certain, that we shall emerge from the critical days ahead with dignity, mutual respect and full confidence in the future.

And now, Sir, I turn to the gravamen of the main charge brought against me in the course of the debate. It is this. That in framing my Budget I have deliberately set out still further to enrich the already rich and to give no relief to the miserably poor. As I shall demonstrate in a moment, the charge is entirely untrue and is based on an inadequate examination of the Budget and the Demands for Grants. I never thought that I should live to see the day

when I should be portrayed as the champion of the wealthy, and particularly of the wealthy industrialist. I, who have never in my life drawn a single pie by way of dividend from any company, whether industrial or commercial or financial, since I have never possessed a share of any kind; I who have known what it is to keep myself at the University and pay my college fees on 55 rupees a month. I have, it is true, many industrialists among my personal friends, but in their public, as distinct from their private, capacity I only like them to the extent that they add to the wealth of the community as a whole.

But let us leave my own personal position and attitude and get down to facts and figures. It is true that I have abolished E. P. T. but several things are to be noted about that. First, that it makes no difference to next year's revenue. Secondly, that its retention would act as a damper on the advance of Industrialisation which holds out the greatest promise of increasing the national income and the earning power of the people. Thirdly, that it would produce in the years immediately ahead a progressively diminishing yield. Fourthly, that its continuance carries with it a liability to make good losses incurred in the transitional period and it is significant that the Chamber whom Mr. Manu Subedar so ably represents has already tabled a claim that losses incurred during the next three years should be charged back to E. P. T. already paid. I sincerely hope that my successor will resolutely reject any proposal to keep the matter open for so long a period.

Apart from E. P. T. my proposals represent a relief to the Industrialists and the so-called rich of no more than a net Rs. 4½ crores on a rate of taxation which the war had driven to excessive heights. But let me compare the position now with the pre-war position. In 1938-39 Companies paid 41 pies in the rupee by way of income-tax and super-tax. Under my proposals they will pay, even if the dividend distributed does not exceed 5 per cent., 72 pies, while there is a steeply rising rate for distributed dividends. On dividends exceeding 60 per cent. of the total income, the total charge will be no less than 144 pies in the rupee. Is this undue favouritism for the rich?

My proposals relating to the dividend tax are intended to discourage the distribution of excessive dividends and indeed the earning of excessive profits and I appeal to companies to co-operate with me in securing this result. In my judgment the profits in certain sections of India's industry are excessive and it would, I submit, be in their own interest, as well as in the interest of the country voluntarily to reduce their prices to the consumer.

So far as the individual is concerned, the man with an earned income of rupees one lakh pre-war paid Rs. 19,854 income and super-tax, under my proposals he will pay Rs. 47,875; a Rs. 2 lakh income paid Rs. 48,129, it will now pay Rs. 1,25,875; a Rs. 3 lakh income paid Rs. 83,111, it will now pay Rs. 2,14,438. For a Rs. 4 lakh income the figures are Rs. 1,24,865 and Rs. 3,06,625 respectively. For a Rs. 5 lakh income Rs. 1,73,889 and Rs. 4,00,375. Does this show an undue tenderness for the rich?

Nobody has had anything but approbation for my proposals relating to people of moderate means, but I have been savagely assailed for my alleged failure to do everything for the poor man for whom, I may say, I have as much solicitude as any of my friends opposite. It would have been very easy for me to have gained cheap popularity and won the plaudits of the multitude by slashing indirect taxation right and left. But I tried to keep in mind the task which will confront my successor. As I pointed out in my Budget, India will need a great deal of money to overcome her internal enemies—poverty, squalor, ill-health, illiteracy, under-nourishment and under-employment, and, in my judgment, the interests of the common man (I dislike the word masses) would be best served by financing, at the expense of the rich, schemes which will ensure to his advantage rather than by a wholesale remission of indirect taxation. To what extent, indeed, would the common man benefit by the wholesale remission of indirect taxation and how far would my Honourable friends opposite and to the right be prepared to go in this direction? Would they, for example, abolish the salt tax which has been the plaything of politicians for so

[Sir Arohibald Rowlands]

long? I very much doubt it. Indeed, I have heard it said that the Congress would, on coming to power, at least double it and I expect that a Pakistan Finance Member would do the same. Anyway, what would a wholesale remission of indirect taxation amount to? My Honourable friend Mr. Asaf Ali mentioned a figure of Rs. 22 crores; this would give relief of about 12 annas a head. Is this going to be of greater help than the schemes which are being financed through the Budget and the Demands for Grants next year? These schemes will cost Rs. 99 crores in 1946-47 and, apart from the employment that they will provide, will, in the main, promote the economic and social well-being of the common man.

Nevertheless, on reflection and in the light of the debate, I fully confess that while, as I submit, Government's proposals are eminently sound on economic grounds, they may be in some measure defective psychologically, in that the man in the street, and particularly the man in the village street, may not have seen the true inwardness of the Budget proposals. Partly on these grounds and partly because Government, at any rate, in their present mood, are anxious to be as responsive as possible to the views of the House, I undertake, between now and the debate on the Finance Bill, carefully to review the whole field of indirect taxation to see whether any, and if so which, relief can be granted,—whether, for example, it could be a cheaper postcard, a cheaper box of matches, a cheaper biri, a cheaper betel nut or something else. When we come to the Finance Bill, I shall seek guidance from my friends to the front and to the right as to what remission might ensure the passing of the Bill.

Sir, I think I have covered the more significant of the criticisms which have been raised in the debate. I shall now attempt briefly to deal in chronological order with some of the more important points with which I have not already dealt. I do not however propose to go into any of the matters which do not affect the Finance Department. If the Opposition wishes to raise any points, they may do so on a Cut Motion relating to a particular Demand.

When you, Sir, were speaking from your place in the House, you raised the point that the Posts and Telegraphs Department were expected to yield a revenue of Rs. ten crores this year and that in spite of that fact, the Government had taken no steps to remedy the grievances which were being represented by the postal employees. Well, Sir, I should like to tell you that it is entirely due to your intervention that Government is considering this matter and, as will be announced at a Press conference this evening, in addition to certain concessions, which are in relation to pension, namely removing the present limit upon the maximum pension earned, the allowances and pensions for inferior servants will be brought into line with those of superior servants *in toto*. In addition to this, the dearness allowance which was granted to these employees of the postal department, in common with the other employees of other Government departments with effect from 1st January last year, will be antedated to 1st July 1944. In addition there will be roughly an addition of Rs. 5 in the good conduct pay of the postal employees. They have also agreed to refer to arbitration the question of any further relief which should be granted to all the employees whose pay was reduced by the 1981 cut in the rates of pay. So there will be at least some cut in these Rs. ten crores anticipated surplus.

The next point was about the American purchases and the suggestion was made that the purchases should be confined to articles which are likely to be of some use to India. Although the agreement has not yet been finally fixed up, we are on the point of concluding an agreement, which is however subject to negotiation at Washington as was announced in my budget speech. This will place at the disposal of India all the American surplus, and we can dispose of them at such time and at such rate as we think in the best interests of India, having regard to the requirements of the consumer. Then, Sir, the point was raised about earned income between Rs. 1,000 and Rs. 2,000 and I think it was you, Sir, who raised the point. If anybody is paying tax on incomes less than Rs. 2,000 it is contrary to law.

Then, I come to Mr. Asaf Ali who said in his speech that India should acquire cruisers and aircraft, so that she might stand before the world as a full sovereign State with full sovereign powers. I am quite sure His Majesty's Government will do all they can to make the best equipments available to India. But it is not enough to have equipment, you have to have trained personnel. I know Indians, I have seen them at work they are as good airmen or sailors or soldiers as the other races, but at the moment it is not enough to have merely control; they should have the technical skill also.

Mr. M. Asaf Ali (Delhi: General): I hope it will be forthcoming.

The Honourable Sir Archibald Rowlands: Then he suggested that what was required in addition to the Taxation Enquiry Committee was to set a Council of Economists. Well, Sir, I do not know how far my Honourable friend is an economist. I have had a lot to do with them. Surely they have their uses, but God forbid that I should have to have a Council of Economists. You know the story that if you have six economists studying a problem you will get six different opinions and you may get a seventh one also. That is the sort of thing that you can get from economists. I understand what the suggestion means. There is a great deal in it; if you set up an Economic Council. It will have to have a general staff collecting data all round, with a head of the staff. If you like, I can have one like that.

Then, Sir, a lot of savage attack was launched by my Honourable friend Lieut.-Col. Chatterjee on bureaucracy. Well, Sir, I do not like it myself. I think his attack was a little unfair to begin with. He suggested that there was greater expenditure as compared with last year. That is not true. The expenditure is about Rs. 112 crores as against Rs. 129 crores in the revised estimates of this year. But I do agree with him that the course of bureaucracy is very insidious and it should be watched. Nevertheless if Government launches on new activities and ceases to be merely a tax gatherer and policeman and accepts responsibility for those activities which are the normal functions of every civilised Government, then you have got to have additional staff. But the growth is there and I entirely agree it should be closely watched. That is the point which Col. Chatterjee made. Most of us are aware that salaries grow. In my humble judgment, the salaries paid in this country are too high and require revision. I am not thinking of the salaries you have to pay for us from overseas. You have to take the salaries paid in India man for man and I say they are much higher than what is paid in England.

Shri Mohan Lal Saksena: That is what we have been agitating against all the time.

The Honourable Sir Archibald Rowlands: The next broadside came from my Honourable friend Mr. Nauman. With a great deal of what Mr. Nauman said I do not agree; but there is one thing I do like in his remarks, because in spite of what he said against my budget, he showed a solicitude for the consumer. Since I have been in India I have heard too much talked about the producer, too much about the grower of this or that; about the manufacturer; but the consumers interests to that extent are apt to be overlooked. To that extent I entirely agree with him. You know the lot of the Finance Member in this country is like that of the Gilbertian policeman, not a happy one. On the one hand, I have some friends who say, for heaven's sake do something to the poor grower of betel nuts as against the foreign industrialist and levy a customs duty; on the other hand, I get an attack from my friend Mr. Nauman for having done that.

Mr. Muhammad Nauman (Patna and Chota Nagpur cum Orissa: Muhamadan): Use enough intelligence to keep your balance.

The Honourable Sir Archibald Rowlands: That is exactly what I am trying to do.

I think I have dealt with most of the points that affect the Finance Department in Mr. Nauman's speech. He raised some points which affect the Department of Industries and Civil supplies.

[Sir Archibald Rowlands]-

Next I come to my Honourable friend Mr. Abdul Ghani Khan, I would like to add my own meed of praise to what was showered on him for his most attractive maiden speech, if indeed the word 'maiden' can appropriately be attached to such a stalwart and valiant representative of the North West Frontier Province. I will not say his remarks were irrelevant to the budget, some of them were; but from others I could make out that his main theme was an appeal to the Atridis that they should in future practice their natural sport on the British instead of on the Pathans or, in the alternative, that I should transfer one of my munition factories to North West Frontier Province.

The next one was from my Honourable friend Sardar Mangal Singh who was overwhelmed by the turbulence of his oratory and I just managed to keep his head above water. He thoroughly enjoyed himself and so did I. I was very surprised to be portrayed as a matrimonial agent bñging about an unholy wedlock between British big business and Indian big business. I am sure Mr. Manu Subedar will not accept me as a matrimonial agent. He suggested that I framed my budget with an eye on the Cabinet Mission. My budget was ready before I even heard of the Cabinet Mission. I am afraid that is another bit of moonshine.

He then stressed very strongly what I ought to have done instead of what I have done and have not tried to do. He said that we should go in for a capital levy. I would like to assure him that I did study the problem in very considerable detail, and it was only because I came to the conclusion that it is impracticable that I abandoned it. I abandoned it for many reasons, but there are two principal reasons: experience in other countries has shown that a capital levy has never been a success unless it carried with it the wholehearted support of the tax-payers. It cannot be said that this Government carries any support of the tax-payers. Secondly, it requires a very large staff which we do not have. There are other reasons too. Thirdly, in my judgment it should come after and not before estate duties. But that is another matter.

Sardar Mangal Singh suggested that the scope of the Taxation Enquiry Committee should be widened to embrace some other things—the land revenue system—I entire agree. I have not had an opportunity of studying the land revenue system of India, except of course the land revenue system of Bengal for five months, but I have no doubt myself that the land revenue system should be included.

He then referred to the sterling balances as a blood bank. I think that is a very good phrase, and the purpose of a blood bank, of course, is to promote health amongst the people and I am looking to the sterling balances as providing that health to get India going ahead.

Mr. Sanyal, who is not here because he is not well, was rather angry with me because I did not deal with food, textiles and so on. I sympathize with him, because food will be a dominating problem with us for the next six months but he can be assured that in so far as it rests with the Finance Department—the provision of funds—there will be no impediments in the way of saving this country from disaster.

He also wanted the Government to adopt an overall river policy. Perhaps this Government will go out unsung and unwept, but there is one thing it has done. It has laid down the foundations of a policy to utilize the enormous resources of the rivers of India, and in the Budget this year there are grants to no less than thirteen schemes—rivers on which work is being done, the Damodar, Kosi, Moor, Sone and others. All these great rivers are being studied and work is being started on a good many of them. This Government has laid a very sound foundation for, as I have said, the utilization of the enormous resources of power and irrigation.

I will not attempt to cover the whole ground explored and investigated by my Honourable friend the Leader of the European Group because to do that

would detain the House too long. I do not think there are many things on which I disagree with him. He was critical of defence expenditure. It is high, he said. I think my Honourable friend, the War Secretary, has dealt with that in the course of his remarks. He also asked a question about surplus stores, and I explained that the things we want immediately are medical stores, and there are large supplies of American medical stores available. As for controls, I entirely agree with him. Controls have no use once they have outlived the purposes for which they were created, and I agree with him that if controls get into the hands of bureaucrats, they get into their blood. With regard to the policy of the Ordnance Factories, it is not in my portfolio, but I can ensure him that the utilization of these factories for civil purposes is definitely a short term policy; and indeed they will only be used when stores are urgently required.

I shall not deal with his other remarks.

Sri M. Ananthasayanam Ayyangar: Are you so soon afraid of his remarks?

The Honourable Sir Archibald Rowlands: I am not afraid of him; I am not even afraid of my Honourable friend; not even of the soldiers because I am restoring budgetary control on the Army.

I also agree with him that borrowing will continue to play a very considerable part in public finance in the next few years.

Sri M. Ananthasayanam Ayyangar: Polonius' advice to his son!

The Honourable Sir Archibald Rowlands: Where does that come from?

Sri M. Ananthasayanam Ayyangar: Shakespeare.

The Honourable Sir Archibald Rowlands: With regard to the Small Savings Movement, I am very glad to have his support because I feel very strongly on this point. I think it can be a great social movement; it is in the interest of individual and it is in the interest of the country.

The question of co-ordination has been dealt with by my Honourable friend the Commerce Member. On the question of housing, we are trying to do all we can to make available supplies of cement, timber, steel, etc. With regard to the National Investment Board, it is rather in its early stages as yet, and I do not think I need go into that at this time.

The price level is a topic of the day. At the moment we are living in an artificially closed economic system which has affected the price levels. Deflationary tendencies have manifested themselves and we are doing our best to see that prices do not remain too high.

Other matters that he raised I will deal with at the time of the Finance Bill. I do not think the House wants to listen to me any more. I really end where I started. There are two problems in my judgment in front of India at the moment: One is how to allay the phantom of politics and the other is how to destroy poverty. On the first I can make no contribution, but I shall try to abstain from doing anything which will obstruct the second. I submit that my Budget has done a little towards achieving that.

Mr. Deputy President: The House now adjourns until Eleven O'Clock tomorrow morning.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 6th March 1946.

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