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# COUNCIL OF STATE DEBATES

Thursday, 11th April, 1946

Vol. I—No. 16

## OFFICIAL REPORT



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**COUNCIL OF STATE**  
*Thursday, 11th April, 1946*

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The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Hon. the President in the Chair.

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**MEMBERS SWORN**

The Hon. Sir John Sheehy (Nominated Official).  
The Hon. Mr. Shamaldhari Lall (Labour Secretary).  
The Hon. Sir Pheroze Kharegat (Agriculture Secretary).

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**QUESTIONS AND ANSWERS**

**OPIUM EXPORTS**

272. **THE HON. RAJA YUVERAJ DUTTA SINGH:** (a) Is it a fact that in June 1926 it was announced by Government that the extinction of opium export to China and the Far East would take place in 10 years?

(b) Is it a fact that in 1936 a factory at Neemuch in the rich Malwa area started functioning in addition to the large opium factory at Ghazipur?

(c) Is it a fact that in spite of the pledge given, in deference to the public opinion, Government still continue to export opium to China? If so, why?

(d) Will Government make a statement relating to the policy of cultivation and export of opium, and their attitude towards total prohibition except for medicinal and scientific purposes?

**THE HON. MR. V. NARAHARI RAO:** (a) Yes. This announcement, however, related to exports to the Far East only, since exports to China had already stopped in 1913.

(b) The factory at Neemuch started functioning in 1934 and since 1935-36 it has been used for the manufacture of hard ball opium for supply to certain States in Central India and Rajputana, who were taking their supplies from other opium-producing States. The opening of the Neemuch Factory did not therefore entail an increase in the quantities of opium supplied for consumption in India but merely diverted to a source of supply under the control of the Government of India a portion of the Indian States' demand which till then had been supplied from sources not under such control.

(c) No. The second part of the question does not arise.

(d) Poppy cultivation for the manufacture of opium is confined in British India to a limited area in the United Provinces. The area is fixed every year with reference to the requirements of opium for home consumption, manufacture of alkaloids and exports. The general policy is to limit cultivation of the poppy as much as possible and to reduce the consumption of opium in India. The position is kept under constant review. While the consumption of opium by addicts and its use as a prophylactic or anodyne or as a household remedy by people to whom qualified medical assistance is inaccessible are tolerated, every step is being taken to check its abuse and to reduce consumption. The people of India have by long experience acquired an empirical skill in the use of opium for medical and semi-medical purposes and until proper medical aid becomes generally available throughout the country it would be neither practicable nor humane to prohibit the use of opium altogether. The Government of India are, however, at present reviewing the whole field in consultation with the Provincial Governments and the States and in particular are examining the practicability of suppressing opium smoking.

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**NOTE.**—Questions against the Hon. Raja Yuveraj Dutta Singh were put by the Hon. Rai Bahadur Sri Narain Mahtha.

As regards exports, since the beginning of 1936, the export of opium from India is not allowed except in the following cases :

- (i) small quantities sent to the French and Portuguese settlements in India, Nepal, Zanzibar and Pemba in accordance with longstanding practice ;
- (ii) quantities sent to Burma and Aden which until recently formed part of India ; and
- (iii) exports of raw opium to the United Kingdom for the manufacture of alkaloids.

#### UNRRA

273. FLT. LIEUT. THE HON. RUP CHAND : Will Government state :

(a) Whether it is a fact that India is paying about 8 crores of rupees every year as membership fee and contribution to the United Nations Relief and Rehabilitation Administration (UNRRA) ?

(b) What actual benefits have accrued to India by her membership of UNRRA ?

(c) What help, if any UNRRA rendered to India during the Bengal Famine of 1943 and during the present acute shortage of food endangering the lives of a large number of people ?

(d) How many Indians have so far been appointed to the staff and secretariat of UNRRA ?

(e) Whether it is a fact that UNRRA has rendered practically no help to India during her periods of crisis ?

(f) Whether the recent press report to the effect that the UNRRA instead of backing up the claims of India before the Allied Combined Food Board in Washington for allocation of foodgrains, actually became the " chief competitor " against India, is true ?

(g) Whether in view of the fact that India's membership of the UNRRA is costing her several crores of rupees without any advantages the Government of India have considered the advisability of giving up membership of the organisation, if not, the reasons therefor ?

THE HON. MR. Y. N. SUKTHANKAR : (a) No, Sir.

(b) As India became a member of UNRRA on humanitarian grounds the question of accrual of benefits to India does not arise.

(c) As the Government of India have not asked for UNRRA's help, this question does not arise.

(d) 22 Indians have so far been selected by UNRRA for appointment in its world-wide organisation.

(e) In view of the reply to (c) the question does not arise.

(f) UNRRA was one of India's principal competitors in the allocation of food grains by the Combined Food Board.

(g) In view of the fact that UNRRA is a temporary organisation the activities of which are likely to terminate by the end of March, 1947, and that India's contribution of Rs. 8 crores to UNRRA which was voted by the Assembly during the 1945 Budget session is not an annual burden, the question of giving up membership of UNRRA has not been considered.

#### INDIA'S STERLING BALANCES

274. FLT. LIEUT. THE HON. RUP CHAND : Will Government state :

(a) Whether it is a fact that India's sterling balances in the United Kingdom are still growing in volume ?

(b) Whether Government are taking any measures to see that India's sterling balances in U. K. do not increase still further ?

THE HON. MR. V. NARAHARI RAO : (a) Yes, but at a reduced rate.

(b) I would invite the Hon. Member's attention to paragraph 28 of the last Budget Speech.

IMPORT OF FOODGRAINS

275. **FLT./LIEUT. THE HON. RUP CHAND** : Will Government state what steps they have taken to obtain foodgrains for India directly from Argentina and Russia, which have surpluses to export, especially in view of the fact that the allotment of foodgrains to India made by the Combined Food Board in Washington is only about 2/3rds of India's needs during the present crisis ?

**THE HON. SIR JWALA PRASAD SRIVASTAVA** : So far as Argentine wheat is concerned exports are subject to allocations by the Combined Food Board and we await a communication from that body as to the precise amount allotted to India within our general allocation. We have made enquiries regarding maize which is at present not so allocated and have arranged for purchases up to 200 000 tons. Maize is not however at the moment readily obtainable and advance purchases of some 31,000 tons only have so far been made. As regards Russia we have informed H. M. G. of our desire that they will approach the Government of that country for supplies to India and await a reply.

**THE HON. PANDIT HIRDAY NATH KUNZRU** : If we get, say, half a million tons of wheat or other foodgrains from Russia, will the Combined Food Board then maintain the allocation of foodgrains made to India, or will it reduce it by a corresponding amount ?

**THE HON. SIR JWALA PRASAD SRIVASTAVA** : It is not possible for me to say. Russia is not a member of the Combined Food Board.

**THE HON. PANDIT HIRDAY NATH KUNZRU** : Will the Hon. Member tell the House what they have done in the case of France ?

**THE HON. SIR JWALA PRASAD SRIVASTAVA** : I do not know authoritatively. I have read press accounts, which the Hon. Member has done himself.

**THE HON. PANDIT HIRDAY NATH KUNZRU** : Will the Hon. Member make sure that any supplies that we may obtain from Russia will not affect the allocation of foodgrains made to us by the Combined Food Board ?

**THE HON. SIR JWALA PRASAD SRIVASTAVA** : Naturally, we shall try to do so.

INCREASE IN CURRENCY NOTES CIRCULATION.

276. **FLT./LIEUT. THE HON. RUP CHAND** : Will Government state :—

(a) The extent of increase in currency since the hostilities ceased in August, 1945 ?

(b) Whether it is a fact that the expansion of currency still continues in India thereby imposing further hardship on the Indian people ; if so, the reasons why such a policy is being followed ?

(c) Whether Government are aware that the inflationary procedure adopted by them is having an adverse effect on Indian economy ?

**THE HON. MR. V. NARAHARI RAO** : (a) The increase in currency notes in a circulation was Rs. 79,89 crores on the 29th March, 1946.

(b) and (c). I would invite the Hon. Member's attention to the reply given to part (d) of the Hon. Mr. Surput Singh's question No. 81 on the 27th February 1946.

PROVINCIAL MOTOR TRANSPORT CONTROLLERS

277. **THE HON. KHAN BAHAUR KERAMAT ALI** : Will Government state :—

(a) Whether it was under the direction of the Government of India that the Motor Control Departments were created in certain provinces ?

(b) Whether the Government of India contributed the whole or any part of the expenses incurred on the maintenance of such Provincial Motor Transport Departments ?

(c) How long these departments are to continue ?

(d) Whether it is a fact that the Government of Assam has ordered the abolition of the Motor Transport Department of that Province from 31st March, 1946?

(e) Whether the sanction of the Government of India was obtained for the abolition?

(f) Whether timely notice was served on the employees of the Department about this abolition?

(g) If not, whether any compensation will be paid to the employees?

THE HON. SIR MAHOMED USMAN : Sir, with your permission, in the unavoidable absence of the Hon. Sir Eric Conran-Smith, I am replying to this question.

(a) The Government of India suggested that the various war-time controls of motor transport should be co-ordinated by a single officer in each province to be known as the Provincial Motor Transport Controller.

(b) The Government of India contributes a proportion of the cost of the officers engaged on the implementation of war-time controls subject to a maximum of 50 per cent.

(c) The officers engaged on the administration of the war-time controls will not be required for this work when the controls are withdrawn.

(e) No.

(d), (f) and (g). Although an effort has been made to obtain the information from the Assam Government by telegram, it is regretted that it has not yet been received. It will be laid on the table as soon as obtained.

#### VISIT TO MEDICAL COLLEGES BY PROFESSOR A. V. HILL

278. THE HON. RAJA YUVERAJ DUTTA SINGH : ( ) Is it a fact that Government invited a number of foreign scientists and experts to visit India in connection with the inquiry of the Bhoré Committee; and Prof. A. V. Hill, a physiologist of Cambridge, and Secretary of the Royal Society, was one of them?

( ) Is it a fact that except Lucknow he visited all the Medical Colleges of India? If so, why was Lucknow omitted?

(c) Are Government aware that in 1933, the Department of Physiology, Lucknow, published a book called *A New Physiological Psychology*, from which it appeared that Lucknow Medical College has been ahead of Cambridge in many important matters?

(d) Did Prof. Hill submit a report in which he held that India in general was hopelessly behind such a place as Cambridge? Will Government lay a copy of his report on the table, or at least place it in the Library?

THE HON. SIR JOGENDRA SINGH : (a) Yes. The visit of Prof. A. V. Hill was arranged before the Bhoré Committee was appointed.

(b) Owing to lack of time Professor Hill was able to visit only a few centres where there are medical colleges. Lucknow was not the only such centre omitted from his programme.

(c) I have not seen a copy of the publication referred to.

(d) Prof. Hill's report expressed the view that no great school of physiology had developed in India from which teachers and research workers could go out and raise the standard all round. A copy of the report was placed in the Library of the House in February 1945.

#### DETERIORATION OF FOODGRAINS

279. THE HON. RAJA CHARANJIT SINGH : Has the attention of Government been drawn to a leading article in the *Tribune* of Lahore, dated the 8th March, 1946, in which it is stated that (i) two hundred thousand maunds of wheat

flour (atta) became rotten and unfit for human consumption in the godowns of the Civil Supplies Department at Howrah; (ii) a fortnight ago rotten atta weighing one hundred thousand maunds was removed from another godown; (iii) some time ago it is said stocks of rice were destroyed as they had become rotten?

THE HON. SIR JWALA PRASAD SRIVASTAVA: An inquiry has been made from the Bengal Government. The information will be placed on the table of the House, when received.

DETERIORATION OF ATTA

280. THE HON. RAJA CHARANJIT SINGH: Will Government state the names of Government stocks and godowns where flour or atta deteriorated and the quantity of flour and atta which became unfit for human consumption in each of those places in 1944 and 1945?

THE HON. SIR JWALA PRASAD SRIVASTAVA: There was no loss in any stocks of atta while in the custody of the Central Food Department in various provinces during the years 1944 and 1945. Information about stocks held by Provincial Governments has been called for and will be placed on the table of the House when received.

DETERIORATION OF RICE

281. THE HON. RAJA CHARANJIT SINGH: Will Government state the names of Government stocks and godowns where rice deteriorated and the quantity of rice which became unfit for human consumption in each of those places in 1944 and 1945?

THE HON. SIR JWALA PRASAD SRIVASTAVA: There was no loss in any stocks of rice while in the custody of the Central Food Department in various provinces during the years 1944 and 1945. Information about stocks of rice held by Provincial Government has been called for and will be placed on the table of the House, when received.

DETERIORATION OF FOODGRAINS

282. THE HON. RAJA CHARANJIT SINGH: Is it a fact that during 1944 and 1945 flour and atta weighing 4,92,510 maunds deteriorated and unfit for human consumption as detailed below:—

- (i) 75,000 maunds atta in Government stocks, Calcutta;
- (ii) 71,000 maunds flour in Government stocks, Calcutta;
- (iii) 850 maunds atta in Government godowns in Bengal and sold by the authority in charge at 4 annas per maund as manure;
- (iv) 42,660 maunds atta in Dacca;
- (v) 2,000 maunds atta in Faridpur;
- (vi) 200,000 maunds atta in Supply Department godowns, Calcutta; and
- (vii) 100,000 maunds atta in another godown?

THE HON. SIR JWALA PRASAD SRIVASTAVA: An inquiry has been made from the Bengal Government and the information will be laid on the table of the House when received.

THE HON. MR. SUSIL KUMAR ROY CHOWDHURY: Is the Hon. Member aware that the figures appeared in the *Amrita Bazar Patrika*, which gave the dates from which the foodgrains deteriorated?

THE HON. SIR JWALA PRASAD SRIVASTAVA: No, Sir; I have not seen it in the paper referred to.

NEWSPRINT FOR PUBLICATION OF THE *States People*.

283. THE HON. MR. G. S. MOTILAL: (a) Is it a fact that Government refused to issue paper for resumption of publication of the weekly journal called "*States People*" which was edited by Sjt. Patabhi Sitaramaya before his detention in 1942?

(b) Will Government now issue the paper required for it?

**THE HON. SIR MAHOMED USMAN** (on behalf of the Industries & Supplies Department): (a) Yes.

(b) The newsprint supply position has deteriorated to such an extent at the present moment that it does not admit of grant of quotas for new journals or for revival of journals. The matter can be reconsidered if and when the newsprint supply position shows substantial improvement.

**THE HON. PANDIT HIRDAY NATH KUNZRU**: When will that be?

**THE HON. SIR MAHOMED USMAN**: I do not know.

**THE HON. PANDIT HIRDAY NATH KUNZRU**: Do Government realise that this was a very important paper so far as Indian States were concerned?

**THE HON. SIR MAHOMED USMAN**: Government do realise it, but our difficulty is that we have not got enough newsprint. As soon as it is available, Government will certainly consider the case.

**THE HON. PANDIT HIRDAY NATH KUNZRU**: Have not Government during the period when there has been scarcity of newsprint, allowed new papers to come into existence?

**THE HON. SIR MAHOMED USMAN**: No. As I have said, the newsprint supply position has deteriorated to such an extent at the present moment that it does not admit of grant of quotas for new journals or for revival of journals.

#### SCARCITY OF RICE IN DELHI RATION SHOPS

**THE HON. RAI BAHADUR SATYENDRA KUMAR DAS** (East Bengal: Non-Muhammadan): Sir, with your permission and with the permission of the Leader of the House, I would like to draw the attention of the Food Member to the fact that we are not getting rice from our ration shop. We have been unable to get any rice for the last two days.

**THE HON. MR. SUSIL KUMAR ROY CHOWDHURY** (West Bengal: Non-Muhammadan): We have been told by the ration shops which supply foodgrains to members of this House—situated in Western Court that not a single grain of rice is available.

**THE HON. RAI BAHADUR SATYENDRA KUMAR DAS**: We who come from Bengal consume rice, and we cannot go on starving for days.

**THE HON. SIR JWALA PRASAD SRIVASTAVA** (Food Member): This is new to me! But I will make inquiries immediately and see what the position is.

**THE HON. RAI BAHADUR SATYENDRA KUMAR DAS**: Inquiry will not do. You must give us rice.

**THE HON. SIR JWALA PRASAD SRIVASTAVA**: I will try my best.

**THE HON. MR. SUSIL KUMAR ROY CHOWDHURY**: I sent my servant this morning to the ration shop, and he was told that not a single grain of rice was available.

**THE HON. SIR JWALA PRASAD SRIVASTAVA**: I will try and find out what the position is.

**THE HON. MR. V. V. KALIKAR** (Central Provinces: Non-Muhammadan): There is no question of finding out. The Hon. Member must give relief to us.

**THE HON. SIR JWALA PRASAD SRIVASTAVA**: As far as it lies in me.

**THE HON. RAI BAHADUR SATYENDRA KUMAR DAS**: Our ration shop is No. 53-C; it is behind Western Court. The same is the state of affairs in Bengali-mal Market on Bazar Road.

**THE HON. SIR JWALA PRASAD SRIVASTAVA**: I will find out at once.

## STATEMENTS, ETC., LAID ON THE TABLE

**THE HON. MR. S. LALL** (Labour Secretary) : Sir, I lay on the table copies\* of the Summary of Proceedings of the Seventh Meeting of the Standing Labour Committee held at New Delhi on the 28th August, 1945.

**THE HON. MR. S. LALL** (Labour Secretary) : Sir, I lay on the table copies\* of the *ad hoc* reports prepared by the Labour Investigation Committee.

**THE HON. RAI BAHADUR SRI NARAIN MAHTHA** (Bihar : Non-Muhammadan) : Will these reports be circulated to us ?

**THE HON. MR. S. LALL** : I will consider it. I am afraid, the number of copies available is limited. But I will certainly consider the suggestion and see if we can make a few copies available for the use of Hon. Members.

## BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE

**SECRETARY OF THE COUNCIL** : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 8th April, 1946 :—

A Bill to enable the immediate imposition of protective duties of customs on imported goods.

A Bill further to amend the Indian Soldiers (Litigation) Act, 1925.

## CENTRAL ADVISORY COUNCIL FOR RAILWAYS

**THE HON. THE PRESIDENT** : The following Hon. Members have been nominated for election to the Central Advisory Council for Railways :—

1. The Hon. Mr. V. V. Kalikar.
2. The Hon. Mr. M. Thirumala Row.
3. The Hon. Mr. S. K. Roy Chowdhury.
4. The Hon. Sir David Devadoss.
5. The Hon. Haji Syed Muhammad Husain.
6. The Hon. Brigadier Sir Hissam-ud-din.

As there are six vacancies and six nominations, I declare them duly elected.

## INDIAN INCOME-TAX (AMENDMENT) BILL,

**THE HON. SIR JOHN SHEEHY** (Nominated Official) : Sir, I move :—

“That the Bill further to amend the Income-tax Act, 1922 as passed by the Legislative Assembly, be taken into consideration.”

Sir, in his recent Budget speech, the Finance Member said that one of the objects of his financial proposals was to encourage Indian industry to rehabilitate and re-equip itself and to make itself more efficient. The main proposals in this Bill are designed for that purpose. They may be divided into two categories—one containing proposals which encourage the scrapping of old buildings, plant and machinery and the erection of new buildings and the installation of new plant and machinery, and the other containing proposals for the encouragement of expenditure on scientific research.

As regards buildings, the proposals cover three points. Obsolescence allowance, *i.e.*, the difference between the written-down value and the scrap value, is to be given on buildings for the first time. It is to be given not only when the building is sold or discarded but also when it is destroyed or demolished. And a special initial depreciation allowance of 10 per cent. is to be given in the case of new buildings.

\*Not printed. Copies placed in the Library of the House.



[Sir John Sheehy]

As regards plant and machinery, the proposals cover two points. As in the case of buildings, the obsolescence allowance is to be given where the plant and machinery is demolished or destroyed. And a special initial depreciation allowance of 20 per cent. is to be given in the case of new plant and machinery.

There are two points about the special initial depreciation allowance to which I should refer. One is that it is not to be given for excess profits tax. The excess profits tax has only a year to run and so this is not so important. The more important point is that it is not to be deducted in arriving at the written-down value.

There are also two points about the obsolescence allowance to which I should draw attention. As the law stands, if an asset on which depreciation has been given is sold, any excess of the sale price over the original cost is taxable. The Bill excludes this excess from taxation. On the other hand, the Bill makes liable to tax insurance or compensation moneys received in excess of the written-down value. But in no case can the taxable amount exceed the amount allowed as depreciation.

The provisions regarding scientific research expenditure allow both capital and revenue expenditure. Revenue expenditure is allowed in respect of the year in which it is incurred. Capital expenditure, if incurred by way of payments to Scientific Research Associations, Universities and similar bodies for capital purposes, will be allowed as if it were revenue expenditure of the year in which it is incurred, but if capital expenditure is incurred by the assessee on his own research, it will be allowed in five yearly instalments.

In dealing with these provisions regarding scientific research the Select Committee expressed the hope that they would not be interpreted too narrowly. The Honourable the Finance Member in referring to this assured the other House that the definition of 'scientific research' will be interpreted in a generous fashion. Honourable Members will realise that the last word on questions of this kind will rest not with the Income-tax Department but with the "prescribed authority" which in most cases will probably be the Council of Scientific and Industrial Research. Of course, on medical questions I suppose the Council of Medical Research will have the last word, and there may be some questions on Agriculture, in which case it will be the Agricultural Research Council.

There is one further point—and an important one—to be mentioned about these provisions regarding scientific research. They are to be given retrospective effect for one year, so that the assessee is to be in the same position as if this Income-tax Bill, which was introduced last year and dropped, had been passed then.

Two other proposals in the Bill are designed to encourage new building so as to create employment. A two years' exemption from tax under section 9 of the Income-tax Act is to be given in the case of buildings, mainly dwelling houses, begun and completed between the 1st April 1946 and 31st March 1948, and in the case of other buildings, such as factories, hotels, shops and offices, which fall under sections 10 and 12 of the Income-tax Act, the initial depreciation allowance is increased from 10 to 15 per cent.

Although in terms these provisions apply only to complete units of buildings, the Honourable the Finance Member has given instructions that any extension of an existing building which costs more than Rs. 10,000 will count for the allowance, so that if a man puts a new storey on to a block of flats which costs more than Rs. 10,000, this will rank as new building for the purpose of this allowance.

I think, Sir, that is enough explanation from me of the provisions of the Bill. In the Select Committee two minor changes were made but they were of a clarificatory nature. There was nothing very substantial about them. I do not think I need go into them. Since then the Bill has been unchanged. Sir, I move.

The Motion was adopted.

Clauses 2 to 5 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HON. SIR JOHN SHEEHY : Sir, I move :—

“That the Bill, as passed by the Legislative Assembly be passed.”

THE HON. MR. N. K. DAS (Orissa : Non-Muhammadan) : Sir, may I make an inquiry ? The Hon. Member said that when an industry invested on certain scientific research allowance will be made for it in the income-tax in the course of 5 years. Supposing an industry invested about Rs. 20,000 as capital investment on scientific research, is it meant that that Rs. 20,000 would be covered in 5 years at the rate of Rs. 4,000 per year and that will be deducted from the computation of income-tax ?

THE HON. SIR JOHN SHEEHY : Yes, that is correct.

The Motion was adopted.

### INDIAN OILSEEDS COMMITTEE BILL

THE HON. SIR PHEROZE KHAREGAT (Agriculture Secretary) : Sir, I move :—

“That the Bill to provide for the creation of a fund to be expended by a Committee especially constituted for the improvement and development of the cultivation and marketing of oilseeds and of the production, manufacture and marketing of oilseeds products, as passed by the Legislative Assembly, be taken into consideration.”

The object of this Bill is to improve the lot of those cultivators who grow oilseeds. One of the most important items that will have to be attended to in that connection is to ensure that the production of oilseeds per acre is increased and to provide that the oil content of these oilseeds is increased, so that we may have more oil from the same acreage than at present. The total production of oilseeds in the country including all important oilseeds, such as, groundnuts, linseed, rape and mustard, castor and sesame, comes to something like 4½ million tons, the value of which is Rs. 200 crores per year. I think it will be agreed, Sir, that a crop which is worth Rs. 200 crores a year must receive an adequate amount of attention which it has not been receiving so far. The method that has been suggested for this purpose is similar to what has been adopted in the case of other cash crops, that is, the constitution of a Fund administered by a Committee representative of all the interests which are concerned with that particular crop. Let me, Sir, refer in that connection to what has been achieved by the Indian Central Cotton Committee which is the earliest Committee of this kind and which was established nearly a quarter of a century ago. When that Committee started, practically the whole of the cotton grown in this country was of short staple variety. As a result of its efforts today the position is that more than two-thirds of the area is under medium and long staple cotton. That has been achieved after years of labour, partly by research workers evolving better varieties and partly by efforts to enable the actual cultivators to obtain seeds of new varieties and to adopt measures for the prevention of pests and diseases ; and that will be the line along which the Oilseeds Committee will also have to work. I may digress here for a minute to explain this question of the production and supply of improved seed. It has been suggested by some persons that this can be done in a period of six months. I am afraid, Sir, it is a matter of more than six years before an adequate quantity of improved seed can be made available ; the research worker when he produces an improved variety only produces a very small quantity at great trouble and expense. The rate of multiplication of the seed may be taken to be about 10 times. That is, if you have 1 lb. of seed and you put it in the ground, after a year you will get 10 lbs. of seeds from it. Therefore in order to provide for hundreds of thousands of acres, you have

[Sir Pheroze Kharegat]

got to keep on multiplying it year after year till the amount of seed that is required becomes available. That is why it takes a comparatively long time between the evolving of a new variety and its adoption on a large scale by the cultivators. I have explained that in the case of cotton, this has already been done because there was a Committee which took interest in the matter and tried to push the thing through. Let us contrast that with the case of rice. It is now 15 years and more since the Imperial Council of Agricultural Research took up the question of rice and they evolved a number of improved varieties. But these varieties have not yet spread amongst the cultivators. The reason is that the Research Council stopped its work when the research was completed. Having evolved new varieties it thought that its work was done and it left the matter of spreading these varieties amongst the cultivators to the Provincial Governments. The result was that till last year only 6 per cent. of the total area was under improved varieties. If there had been a Rice Committee which would have had representatives of all the interests, the cultivators would have pointed out that steps must be taken by the Committee or by the Provincial Governments or by both jointly in order to ensure that this seed is multiplied to a sufficient extent and made available on a large scale to the cultivators. We hope, Sir, when this Oilseed Committee starts its work it will bear that fact in mind and try to make the improved varieties which have been evolved available to the cultivators. The Council of Agricultural Research has been deriving a certain amount of money from the export of oilseeds, that is, the half per cent. cess which is levied on the export of agricultural products amongst which oilseeds are included. The whole of that amount is meant for agriculture in all its aspects. It includes the promotion of research on wheat, on rice, and on all kinds of crops as well as in respect of animal husbandry products. The amount realised is of the order of 9 to 10 lakhs a year which is obviously insufficient to look after the research on all the agricultural crops of the whole of India. Therefore, the amount that it has been able to spend on oilseeds is comparatively small but it has already undertaken work on the breeding of better varieties of oilseeds and it has had considerable success in connection with castor. In Hyderabad they have evolved a new variety which gives 2 per cent more oil than the variety which was previously generally in use and steps have now to be taken to spread this variety on a big scale.

The work in connection with other oilseeds has not proceeded so far but it is hoped that it will be possible to push it on. The Council has spent something like Rs. 4½ lakhs in trying to evolve better varieties. Fortunately, about three or four years ago the Council received another grant from His Majesty's Government which was paid because the price of groundnuts had fallen too low; on the representation of the Government of India His Majesty's Government agreed to purchase the groundnuts at a higher price and the difference between the price at which they purchased and the price paid to the cultivator was credited to a fund and the proceeds of that fund were used in order to help oilseed cultivation and oilseed storage. From that fund, about Rs. 1½ lakhs have been spent in order to try and do two things, that is to evolve better methods for the prevention of pests and diseases of oilseeds and to ensure that oilseeds in storage do not deteriorate. Work on both these aspects is going on at present and we hope that this work will be taken over by the Oilseeds Committee and pushed on with great vigour.

THE HON. SIR SHANTIDAS ASKURAN (Bombay Non-Muhammadan): What is the total fund collected from this margin between prices?

THE HON. SIR PHEROZE KHAREGAT: The amount was received by the Commerce Department. The total amount was approximately Rs. 11 lakhs, of which about Rs. 5 lakhs went to Madras, 2 lakhs to Bombay, 2 lakhs to Hyderabad and the rest of the money was distributed amongst the other Provinces and States. Rs. 1½ lakhs went to the Imperial Council.

THE HON. SIR SHANTIDAS ASKURAN: Thank you.

THE HON. SIR PHEROZE KHAREGAT: Now, Sir, the scheme that we have in the Bill provides that the funds required should be raised partly by levying a cess on all the oil that is obtained by crushing oilseeds in British India. This cess

will be levied at a rate of 1 anna per maund. This is expected to bring in about Rs. 8 to 10 lakhs a year, but we have no accurate figures at present and we are not quite certain as to what the income from that source will be. In addition to that, it is proposed to levy a cess at 2 annas per maund on all oilseeds that are exported out of India. This will bring in we do not know quite what, because in the pre-war period the quantity of oilseeds exported was 13½ lakhs of tons. Already that amount has dwindled to 3½ lakhs of tons and if the policy which the Government have now accepted is adopted the probability is that the amount of oilseeds exported will dwindle to practically nothing. Our aim is to try and export oil rather than oilseeds, so that the oil cakes may be available in this country both as cattle feed and as manure. So it is very difficult to say how much money we will get from that source but the Committee will have to cut its coat according to the cloth available and if it finds that it cannot carry on the work satisfactorily it will have to come up to the Legislature or to the Government for more funds.

Then, Sir, I may explain that this cess is in addition to the cess of ½ per cent on exports which is already levied on behalf of the Council of Agricultural Research. The incidence of this cess is comparatively negligible. Some people think that it will fall on the producers; some people think it will fall on the consumers, but the actual fact is that the amount is so small and negligible that it will probably be shared between the producers, the manufacturers, the dealers and the consumers, so that, even that small amount will be so distributed that the amount of burden on any one branch of industry will be absolutely negligible.

Now, Sir, I may come to the question of the Committee itself. The idea when this Bill was framed was to have a Committee consisting of about 50 people representing in equal proportion three different interests; that is there were to be about 15 or 16 people to represent the growers, another corresponding number to represent the trade and the manufacturers and a third section to represent the research workers and the Agricultural Departments. There are also a certain number to represent the consumers taken from the Legislature. When the Bill went to the Select Committee in the Assembly one important change was made and that the representation of producers—that is of the agriculturists—was increased from 15 to 21. Certain other minor changes were also made at the same time. As a result of these alterations the Committee will now consist of about 60 members, and the view has been expressed that the Committee will be unwieldy. Therefore, I may explain how these Committees actually function. The method is that the Committee sets up Sub-Committees for each branch of the work: for instance, there is a Sub-Committee for agricultural work, a Sub-Committee for technological work, a Sub-Committee for marketing, a Sub-Committee for Finance and a Standing Executive Committee for carrying on the day-to-day or week to week operations. All the work then is done in Sub-Committees and the main Committee meets twice a year and the work done by the Sub-Committees comes up before the main Committee and it is there reviewed and where necessary alterations are made. In this way, though the Committee itself consists of a large number of people, no practical difficulty is experienced in carrying on the work.

There is one more point I would like to refer to and that is the position of the States. Now the cess that has been proposed will only be levied in British India but we hope that the important Indian States will follow suit and levy a similar cess on all oil that is manufactured in their States. Naturally, we are not in a position to legislate about these matters, and what we propose to do is that, as soon as this Bill becomes law, we will approach the States concerned and ask them to follow suit. In the meantime, we have made arrangements for representatives of one or two States to be on our Committee, so that from the very beginning they may be associated with the work and help to carry it on.

Sir, I think this Bill is entirely non-controversial. The amount of the cess is negligible. The purpose for which it has been introduced is such that nobody can cavil at it. I therefore hope that the Bill will be accepted unanimously. Sir, I move.

\*THE HON. MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Mr. President, we welcome this measure, and I think the Agriculture Department and Sir Pheroze Khareghat deserve our thanks for having piloted this Bill. This is a

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very useful Bill, and in the ordinary course of events I would not have stood up, but I find there are two tendencies which I personally do not like. But circumstances perhaps have forced the Department to exhibit those tendencies. I refer to the unwieldy nature of the Committee. Unwieldy committees really do not help—they rather hinder the administration in a certain measure. A way out has been found by transferring most of the work to sub-committees and merely bringing the decisions before the main Committee for the purpose of registration. But I personally think that it would be better if the idea of giving representation in large numbers to every interest is given up and the effort concentrated on the quality rather than on the quantity of representation.

Secondly, Sir, I feel that perhaps it is the intention of the Government to amend the Bill at a later date, because the quantum of the excise is very small. It comes to something like one-sixth of one per cent. At the present market price of mustard oil at least, it will be one-sixth of one per cent. On groundnut oil it will be about a quarter or one-third of one per cent. We find that oilseeds are taxed at above the existing level. The existing level of taxation was half-per cent. Two annas a maund will amount to almost the same thing. In that case, the taxation is good. But why should the oil, which is the refined product of oilseeds, be taxed at a lower rate. It will not materially change the price to the consumer even if you tax at say, 4 annas a maund, with the prices so high.

Again, Sir, I find that no taxation has been provided for the case of oil cakes. It is in the interests of agriculture that all oilcakes should be retained in the country itself, and I thought that, as it did not come in at present under the taxation schedule, perhaps it would have been a good idea to incorporate in this Bill a clause to tax oilcakes if they are being exported out of India. I do not know whether they are being exported or not. If they are being exported, they should be taxed in order to prevent their export, because we must keep all the oilcake that we can find. I have insufficient information on the subject, and therefore I cannot say whether there is any export or not and whether there is really any reason for the stoppage of export of oilcake.

In conclusion, I hope that the Government will take suitable measures to amend the Bill in the direction I have pointed out.

THE HON. SIR DAVID DEVADOSS (Nominated Non-Official): Sir, the object of the Government is no doubt very laudable, but what I object to is, why should everything be centralised? Now, look at clause 4. The number of persons who are to form the Committee, including officials, is 62, if my arithmetic is correct. How often is such a committee going to meet, and would it not be expensive bringing these people from various parts of the country for the purpose of meeting here? If they do not meet oftener than once a year, what is the good of such a committee?

What I submit is, agriculture, and production of oilseeds, is essentially a provincial subject; and seeing that now we are likely to have a number of "Stans"—Pakistan, Hindustan, Dravidistan, and, I suppose, some other "Stans"—why could you not leave this to the various provincial organisations? For example, in the North, people are familiar with mustard seed, linseed, gingili seed, and, of course, groundnut. But, Sir, in Madras there are a number of other seeds from which oil is expressed. For instance, *illuppai*—I do not know the English name for it. The berry is something like an olive; it is green, and very much like an olive. Oil is also expressed from another seed, *margosa religiosa*. Then there are other seeds like *Punnai* from which oil is expressed. Oil is expressed out of them mostly by hand instruments. You may call it a cottage industry. Are you going to impose a cess on all these people under the Act?

THE HON. SIR JOGENDRA SINGH (Education, Health and Agriculture Member): We are not going to do that.

THE HON. SIR DAVID DEVADOSS: If you are going to tax them, how are you going to collect the tax? You may remember that some years ago they wanted

to reduce the income-tax level to Rs. 500, and what a lot of misery it caused. Officers were appointed to assess people, and ordinary betel sellers, ordinary people who earned not more than four annas a day, were assessed, and when they appealed, the appellate authority asked: "Where are your accounts?" Do you expect an ordinary betel seller to maintain regular accounts?

**THE HON. SIR JOGENDRA SINGH:** The Bill makes it absolutely clear that the excise duty is payable only by power presses.

**THE HON. SIR DAVID DEVADOSS:** Everybody complained. How can you expect an ordinary betel seller to produce accounts? He makes four or six annas—probably a little more now, say a rupee, on account of war conditions. But how do you expect such people to maintain accounts? The argument was: You keep no accounts, therefore you are liable to assessment. What I say is this. When you are going to appoint so many people to collect this cess, in order to show that they deserve to be kept on, they will harass people. That is why I suggest that you should allow these things to be done by the provinces, and if you do that, it will be all right. They know what sort of thing should be assessed and who should receive the benefit. Look at all the benefits that we are going to get under the Act. There is very little which the grower is going to get. Clause 9 (2) says:—

"Without prejudice to the generality of the foregoing power, the Committee may utilize the Fund to defray expenditure involved in—

(a) undertaking, assisting or encouraging agricultural, industrial, technological and economic research, including research into the food-value of oilseeds and oilseed products;

(b) supplying technical advice to growers and millers;

(c) encouraging the adoption of improved methods of cultivation and storage of oil-seeds";

and so on. These are essentially matters which each Province should take into consideration, because what applies to the North-West Frontier Province or the Punjab does not apply to Madras. Conditions are different. So, leave these things to the Provinces. Otherwise you would no doubt be collecting money and spending it. Next year, if we happen to question about this, it will be said that Rs. 10 lakhs were collected and Rs. 9 lakhs were spent in maintaining the establishment. That is what I object to. There must be some proportion between what you collect and what you spend on the real objects of the measure. I do not at all say that this is a bad measure. But leave it to the Provinces and not have a centralised thing which costs a lot of money and which does not confer a corresponding benefit upon the Provinces. One thing I find. I do not know whether it is purposely omitted or not. This measure was before the Legislature last year. It has taken one year for it to come before us. I do not see when it is coming into force. Probably this omission was an oversight or was an international one. If so, I would ask the Government not to bring this into force for another year so that the Provinces may know what they are going to do. Otherwise, this measure, though its object may be good, I do not think will achieve all the benefit which the Government hopes to get from it.

**THE HON. SIR PHEROZE KHAREGAT:** Sir, I may explain that no cess has been proposed on oil cakes for the simple reason that there are not exports of oil cakes at present. The need for oil cakes in the country is so great that all exports have been prohibited so that there is no point in levying a cess on the export of oil cakes.

Then, Sir, the question has been raised about the harassment of the people in connection with this Bill. I may explain that the cess will only be levied on the oil which is extracted in power mills, that is, in large factories. There is no intention whatsoever and there never has been any intention of levying a cess on oil crushed in small ghannis or chakis by the cultivators. Those are entirely exempt from the cess.

The point has been raised as to why we did not leave it to the Provinces to do this work. As I explained, we left the question of rice to the Provinces. We at the Centre evolved improved varieties and asked the Provinces to spread them. The result has been that in 15 years, only 6 per cent. of the area has come under improved varieties as contrasted with the case of cotton where nearly 70 per cent of the area has already come under improved varieties. The same is the case in regard to sugar cane. There again, there is a Committee which looks after the work

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and as a result, nearly 90 per cent. of the area under sugar cane is already under Coimbatore improved varieties. It is necessary for the Centre to give adequate guidance and help to Provinces in order to carry on this work. The way in which these Committees function is that they ask the Provinces to prepare schemes of work. We do not do the work centrally ourselves. Each Province, in the light of its own conditions, puts up schemes before the Committee. These schemes are then examined from the technical point of view and funds are sanctioned to the Provinces to carry on the scheme, usually on a fifty-fifty basis: that is to say, the Provinces find half the cost of the scheme and the Committee finds the other half so that there is a joint co-operative effort by which both the Centre and the Provinces work together in order to carry on this work. I do not think, Sir, it will be feasible to find any better system of work than joint work by the Provinces and the Centre in order to promote the welfare of the people.

Some remarks have been made, Sir, about the expense involved in such a large committee. The Cotton Committee is more or less of the same size as this Committee. I looked up the actual figures of cost and the travelling expenditure for the members and others who are asked to attend meetings comes to Rs. 25,000 a year. Rs. 25,000 spent in getting people together, who know the problems and can give guidance as to the lines along which the work should be done is, I submit, very far from excessive and they have to administer funds which may amount to Rs. 10 lakhs or we may hope later that the amount may even increase to Rs. 20 lakhs. So Rs. 25,000 is not too much from that point of view. I admit, Sir, that the Committee is on the large side and the reason for that simply is that we have got to try and ensure that every interest is adequately represented on the Committee. I regard these Committees as a sort of Parliament of that particular commodity where every single interest has to be represented so that they may all feel that the work that is being done is done with their consent and has their whole-hearted support. We have to have a certain number of producers, *i.e.*, agriculturists, from all the different parts of the country so that all their interests may be represented. Then again there are manufacturers. There are manufacturers in different parts of India and if we take one manufacturer from, say, Bombay, naturally the man in Madras will ask why he should not come in, and the Northern India man will ask that he should also be represented and so on and we have to bear their desires in mind and bring in a sufficient number of people so as to secure an adequate representation of all interests and of all parts of this large country. That is the only reason why we have had to make this Committee so large in size. But in actual practice I feel confident that no real inconvenience will be experienced because of the method in which the Committee functions, that is through the Sub-Committees.

I think those are all the objections that have been raised, and in view of what I have said, I hope there will be no difficulty about accepting this Bill unanimously.

\* THE HON. SIR N. GOPALASWAMI AYYANGAR (Madras: Non-Muhammadan): Sir, I only wish to ask one question. In sub-clause (s) of clause 4 provision is made for the representation of the two Houses of the Central Legislature on this Committee. Is there any particular reason why this distinction is made between the Council of State and the Legislative Assembly? While the Legislative Assembly is asked to elect 4 and the electorate is going to be only the elected members of the Legislative Assembly, in the Council of State, apparently, it is all the Members, and unless the last portion of this sub-clause is differently interpreted, it would mean that while the elected members of the Legislative Assembly have to elect 4 from among their own number, the Council of State is left free to elect 2. They need not apparently even be members of the Council of State. Probably the Draftsman may argue "from among their number" governs the provision for election by the Council of State also. Will the Hon. Member kindly enlighten us on this distinction made between the two Houses of the Legislature?

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\*Not corrected by the Hon. Member.

**THE HON. SIR PHEROZE KHAREGAT** : Sir, the original provision of the Bill was that there should be 6 persons, 2 elected by the members of the Council of State and 4 elected by the Legislative Assembly. When the Bill came up before the Legislative Assembly, that is, after it had passed the Select Committee, at the last moment an amendment was put up that only the elected members of the Legislative Assembly should take part in this election, and there seemed to be no reason for not accepting that amendment. That is how the amendment actually came to be put in the Bill as it now stands. I think that in actual practice it can be arranged that in the Council of State also only the elected members may take part in the election of these members, if that is the wish of the House.

\* **THE HON. SIR N. GOPALASWAMI AYYANGAR** : Will the Government then take the responsibility of giving instructions to members other than elected members of the Council of State not to take part in the election? I personally am not one of those who necessarily support the view that the election should be confined to the elected members. But once you have made that provision in the case of the Legislative Assembly, it ought to be made also in the case of members of the Council of State. I am quite willing to reverse that also. If you make the election in the Council of State from all the members, that should be the case in the case of the Legislative Assembly also.

**THE HON. SIR PHEROZE KHAREGAT** : We are completely in the hands of the House. If it is the desire of the House that it should be restricted only to elected Members, we shall issue instructions accordingly. If, on the other hand, it is the desire of the House that all the members should take part in it, we shall issue instructions to that effect.

**THE HON. SIR RAMUNNI MENON (Nominated Non-Official)** : Sir, I should like to say that the existing provision in the Bill is in full conformity with the practice which is in vogue in this Council in regard to elections to almost all Standing Committees or Committees of any other kind. On a former occasion I remember having raised the particular point which we are debating now, why a certain Committee was going to be filled by election from among the elected members of this House. At that time it was explained that while the Government fully sympathised with that particular point of view, it so happened that in the Select Committee in the other House an amendment which sought to impose the particular method of election was introduced and there was no time for full consideration being given by the Govt. to the matter. In the circumstances I must express my great surprise that a suggestion has now been proffered by the Government spokesman that the Government would in practice issue instructions which would have a restrictive.

**THE HON. THE PRESIDENT** : The Hon. Member has said that he will carry out the instructions of this House.

**THE HON. SIR RAMUNNI MENON** : As a nominated member, I strongly oppose that suggestion. We, nominated members, as long as the present constitution continues, have the fullest right to take part in any activity in this Council not only to take part in any voting, but also in being represented on any body to which this Council elects members. I therefore strongly oppose that suggestion.

\* **THE HON. PANDIT HIRDAY NATH KUNZRU (United Provinces Northern Non-Muhammadan)** : May I ask another question on this subject? My Hon. friend Sir Pheroze Kharegat has said that Government will act in the matter of the election of representatives of the Council of State to the Committee which will manage the yield of the cess under this Bill in accordance with the wishes of the House. If the House desires that only the elected members of the Council should take part in the election of the representatives of the Council of State, Government will issue directions accordingly. But how will the wishes of the House be ascertained? That is what I should like to know.

**THE HON. SIR PHEROZE KHAREGAT** : I think, Sir, that matter may well be left to the future. When the question of the election is brought up before the House, the House will be in a better position to say whether the election should or should not be restricted. The matter will be put to the House and it will then express its views in the matter.



**THE HON. PANDIT HIRDAY NATH KUNZRU:** Will the Government take part in the voting or will they refrain from taking part in the voting ?

**THE HON. SIR PHEROZE KHAREGAT:** I cannot give any undertaking as to what the Government of that time may decide to do. These are hypothetical questions and I think they may well be left to the time when the question arises.

**THE HON. SIR SOBHA SINGH (Nominated Non-Official):** Sir, at the last meeting of the Council, I resigned from the External Affairs Department Committee, although I was elected, to meet the wishes of my Hon. friend, the Leader of the Opposition, because I felt that he was a more deserving person than myself.

**THE HON. SIR N. GOPALASWAMI AYYANGAR:** There is only one other matter. Government at a later stage can bind by executive instructions only the voting of official members in this House. If the sub-clause stands as it is in the Bill nominated members will have the right to participate in the election and the Government can conceive of no circumstances under which they can deprive nominated non-official members from participating in the election.

**THE HON. KHAN BAHADUR KERAMAT ALI (Assam : Muhammadan):** May I know from the Hon. Mover as to why Assam has been excluded from clauses (e) and (g) in section 4 ? Assam is a province that produces a large quantity of mustard seed and there are several mustard oil mills and there is an association of mill-owners. That Province should have been included either in clause (e) or in clause (g).

**THE HON. SIR PHEROZE KHAREGAT:** The total production of oilseeds in Assam is of the order of 65,000 tons a year as compared with Madras which has 1,245,000, or Bengal which has 200,000, Bihar which has 200,000, Bombay which has 450,000 and the Central Provinces with 200,000. What we have done is that we have taken the areas where there is a large quantity of production and given special representation to them. Areas where the production is comparatively small have had to be excluded simply in order to prevent the Committee from becoming more unwieldy than it is.

**THE HON. MR. M. THIRUMALA ROW (Madras : Non-Muhammadan):** With regard to sub-clause (g) of clause 4, may I know which is the headquarters of this organisation, *viz.*, the Federation of Rural Peoples' Organisations ?

**THE HON. SIR PHEROZE KHAREGAT:** The headquarters are in Delhi. It is an organisation of which—I am sorry Mr. Hossain Imam is not here—he is the Vice-President, and it represents a number of Kisans or peasants organisations in various provinces. They are affiliated to the Central Organisation in Delhi.

**THE HON. MR. M. THIRUMALA ROW:** Does it include also organisations of agricultural labour, or is it merely a representative body of producing interests ?

**THE HON. SIR PHEROZE KHAREGAT:** As far as I am aware, Sir, I think it does represent the organisations of agricultural labour as well.

**THE HON. THE PRESIDENT:** Motion made :—

“ That the Bill to provide for the creation of a fund to be expended by a Committee especially constituted for the improvement and development of the cultivation and marketing of oil seeds and of the production, manufacture and marketing of oilseeds products, as passed by the Legislative Assembly, be taken into consideration ”.

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5, 6, 7 and 8 were added to the Bill.

Clauses 9, 10, 11, 12, 13, 14 and 15 were added to the Bill.

Clauses 16, 17, 18 and 19 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HON. SIR PHEROZE KHAREGAT:** Sir, I move:—

“ That the Bill, as passed by the Legislative Assembly, be passed .”

**THE HON. MR. N. K. DAS** (Orissa : Non-Muhammadan) : I want to have information just on one point. It is said in section 3, clause (a), that an excise duty of 1 anna per maund will be levied on "all oils extracted from oilseeds crushed in any mill in British India". What happens to the mills situated in the Indian States where oil is pressed and imported into British India? Is it to be taxed again? Then, Sir, I would also like to know whether the money derived from these cesses will be distributed amongst the Provinces as was done in the case of the money obtained from groundnuts. That money, as the Secretary in charge has told us, was distributed among Madras and other Provinces, probably on the basis of the acreage in those Provinces. I should like to know if any amount of the cess that is levied on oilseeds will be similarly distributed among the Provinces which happen to have large acreages of oilseeds.

**THE HON. SIR PHEROZE KHAREGAT** : As regards States, I thought I had explained the position that no legislation in British India can apply to the States and we are hoping that the States will pass similar legislation in respect of factories situated within their own jurisdiction and they will levy the cess. It will then be a matter of negotiation as to how much of that cess should remain with the State and how much of it should be paid by the State to the Committee, for its work.

As regards the distribution of the money that will come to the Committee the system is that schemes are put up by the Provinces. There is no allotment of so much for each Province. The various Provinces study their own requirements and they put up schemes before the Committee. The Committee examines each of those schemes and sanction them in so far as its funds permit. If the number of schemes is more than can be financed, the Committee decides on the order of priority to be allotted to the schemes and those schemes which are considered to be the most important and the most beneficial are naturally given a higher order of priority than others, so that the most important schemes are taken up first and the others follow as soon as more funds can become available for them. In actual practice, it has been found that the funds distributed by the Committee are given to almost all the Provinces and care is taken to ensure that no one Province gets too much and no one Province gets too little or nothing.

The Motion was adopted.

#### FACTORIES (AMENDMENT) BILL

**THE HON. MR. S. LALL** (Labour Secretary) : Sir, I move :—

"That the Bill further to amend the Factories Act, 1934, as passed by the Legislative Assembly, be taken into consideration."

This measure dealing with the reduction of hours of work in factories is of far reaching importance and of great urgency. But it cannot be said to be revolutionary in any sense of the term. It is only another stage in a natural process of evolution and its provisions are already being observed by quite a large percentage of factories—on a rough estimation between 30-40 per cent.

I should like to refer very briefly to the various stages in reduction of hours in factories. Before 1891 was the period of unbridled *laissez faire*, the employer being left to do what he liked and the employee to fend for himself. In 1891 was the first step but the Act only provided a maximum limit of 11 hours a day and that too for women only. Twenty years later (*i.e.*, in 1911) came the second step. The limit of daily hours was fixed at 12 for men for textile factories only. Then came the I. L. O. and at the first International Labour Conference (1919), known as the Washington Conference with its Hours Convention which fixed 48 hours a week for all countries but for India a special clause provided 60 hours a week. This was followed in 1922 by an amendment of the Factories Act providing a 11 hour day and 60 hour week. This was regarded as a great step for India but still well below the standard of other industrial countries. In 1929 the Royal Commission on Labour was appointed and recommended a reduction from 60 to 54 in perennial factories. This was given effect to by the revised Factories Act, 1934, which provided a 10 hour day for perennial factories and a 11 hour day for seasonal factories and a 54 hour week for perennial factories and 60 hour week for seasonal

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factories. This Act continues in force this day and the measure now before the House seeks to take the next step in the progress in reduction of hours of work which started, as I have indicated, in the year 1891. I have given this brief historical outline to show that "gradualness" has been the key-note and the guiding principle. If this measure passes into the Statute Book we shall have reached the standard prescribed by the Washington Hours Convention in 1919 for other countries.

But I must make it clear that I do not myself believe that the limit of reduction has been reached. In other advanced industrial countries there is a movement towards a further reduction in weekly hours to 44, 42 or even 40. We cannot be dogmatic in this matter. We must watch results and if we can we should be prepared to reduce working hours because on climatic grounds there is certainly a case for shorter hours. At each stage in the reduction of hours there was dire foreboding as to the consequences to industry. But these pessimistic forecasts fortunately were not justified. I have no doubt that the measure now before the House will not lead to any dire consequences.

Referring now to the provisions in this Bill, the main points relate to weekly hours, daily hours, spread-over and overtime. In all these matters the aim is to secure an improvement in the lot of the worker. The weekly hours under the existing Act are 54 for perennial factories and 60 for seasonal. It is now proposed to reduce these hours to 48 and 50 respectively. The daily hours are 10 for perennial and 11 for seasonal. They will now be 9 and 10 respectively. The spreadover allowed is 13 hours which will be reduced to 10½ hours for perennial factories and 11½ hours for seasonal factories, the main object of this reduction being to disallow multiple shifts. As regards overtime, the existing Act provides for two rates, viz., 1¼ and 1½ above the ordinary rate. The Bill will raise the overtime rate to twice the ordinary rate. Overtime in perennial factories will now be payable in perennial factories if the worker works more than 9 hours a day or 48 hours a week; in seasonal factories, it will be payable if the worker does more than hours a day or more than 50 hours a week.

The urgency of this measure is obvious. The hours of work in India obviously needed lowering judged by international standards. This is the most opportune moment when alapse from full employment which was created by wartime activities is inevitable. Whatever steps may be taken to create employment, its volume cannot reach the peak of the war period. The reduction in hours will, it is believed, take up some of the slack of unemployment. But this is not the only reason. The workers in India as in other countries have felt the strain of war work. They need relief, more so having regard to the food position. At the same time we are not unmindful of the public interest. The shortage of cloth is such that we cannot contemplate any reduction of production. The Bill provides for exemptions if this is justified in the public interest.

To me personally who served with the Royal Commission on Labour it is a great privilege and pleasure to be associated with this measure which I now heartily commend to this House. Sir, I move.

The Motion was adopted.

Clauses 2 to 7 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HON. MR. S. LALL : Sir, I move : —

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

#### PROVIDENT FUNDS (AMENDMENT) BILL

THE HON. MR. V. NARAHARI RAO (Finance Secretary) : Sir, I move : —

"That the Bill further to amend the Provident Funds Act, 1925, as passed by the Legislative Assembly, be taken into consideration."

Sir, the Bill is a highly technical one, and it has been thrashed out exhaustively by the Select Committee of the Assembly who reported unanimously on it. The Legislative Assembly has, after due consideration of the report of the Select Committee, passed the Bill which is now before this House.

The amendments are based on considerations of equity. The object of the Bill is to remove certain doubts and difficulties which have arisen as the result of conflicting judicial rulings. It is intended to make it clear that the right of a subscriber's nominee to receive his provident fund deposits is not a vested right accruing to the nominee as soon as the nomination is made, but only a contingent right; that the right of a nominee is also subject to the nomination becoming invalid through the happening of some specified contingency or due to a subsequent amendment made in the Rules; and that if a nominee does not survive the subscriber, the nomination shall cease to subsist so far as it concerns him unless it appears from the nomination that, in that event, the sum in question should go to some other specified person. Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HON. MR. V. NARAHARI RAO : Sir, I move :—

“ That the Bill, as passed by the Legislative Assembly, be passed. ”

The Motion was adopted.

#### TRADE MARKS (AMENDMENT) BILL

THE HON. MR. Y. N. SUKTHANKAR (Commerce Secretary) : Sir I move :—

“ That the Bill to amend the Trade Marks Act, 1940, as passed by the Legislative Assembly, be taken into consideration. ”

Sir, this is a beneficial Bill, the extent of where benefit should not be judged by the smallness of its size or the brevity of my remarks recommending it for the acceptance of the House. Trade Mark legislation is of recent growth in this country. It was just about six years back that Act V of 1940, which is the basic Act for Trade Mark legislation, was brought into force. Prior to that, according to the scathing words of a high judicial authority, “ in company with Abyssinia, Solomon Islands, Monaco, St. Helena, Sarawak and other countries of similar commercial standing, this great Empire of India had no Trade Mark legislation. ” Well, Sir, that reproach was removed by the passing of Act V of 1940 but certain difficulties were brought in its train. Since this Act was passed in British India, it was copied by several States some of whom were industrially advanced and others perhaps not so advanced. I am not attributing any motives to anybody but the fact remains that the commercial and industrial community in British India was greatly perturbed over these happenings. They felt—I submit quite rightly—that if this process went on and all the States copied this Act, a position may arise in which trade marks had to be registered over and over again in different territories, fees had to be paid every time a trade mark unregistered in a different territory and a position of great uncertainty, in so far as legal decisions given by them various states judicial authorities were concerned, would be created. It was, therefore, represented to the Government of India by commercial and industrial communities all over India that something should be done about this. The question of introducing reciprocal arrangements has, in these circumstances, engaged the attention of the Government of India for some time. Any scheme which would deal with this reciprocal arrangement, Sir, must attend essentially to the following points, namely, the desirability of establishing a Registry at a convenient centre so that registration should be effective in all the territories to which it would apply, uniformity of trade mark procedure and administration, the desirability of avoiding conflict of judicial decisions, the desirability of avoiding the registration of the same trade mark by the same proprietor in more than one territory, payment of separate fees in more than one territory and enforcement of similar

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legal processes more than once in the various territories and finally, the establishment of a Trade Mark Journal to which reference could be made and examination of the various trade marks facilitated. Such a scheme has been prepared and I am glad to say that it was prepared in consultation with the representatives of the commercial opinion and more or less accepted by them and it has also secured the consent more or less of such States as have been consulted. It is in order to implement this scheme that we have brought this Bill. I need draw the attention of Hon. Members only to a few clauses of the Bill, namely, clause 12, clause 5 and clause 9, which are the operative clauses. I would also draw attention to clause 2 which provides for the appointment of 2 Deputy Registrars or more. This is due to the fact that we expect that the work in the Trade Mark Registry would greatly expand after the scheme comes into force. According to figures available with me which represent the facts as they were on or about the 16th March, the Trade Mark Registry had received approximately 1,37,000 applications and about 58,000 applications are still pending. There is also a background to this clause 2 which I shall briefly explain. As you know, Sir, sometimes certain sections of such legislation give rise to unreasonable fears in the other place it was feared that the result of the passing of this clause as originally drafted may be that the post of Deputy Registrar in Calcutta may be held in abeyance and Dy. Registrar removed to Bombay. I need hardly say that there was no such intention and there was no idea of Bombay *vs.* Calcutta underlying the legislatures. We have, therefore, provided in this clause that there shall be two or more Deputy Registrars, one of whom will be in Calcutta and the other in Bombay and a definite assurance has been given by the Hon. the Commerce Member to that effect in another place. Sir, I move.

The Motion was adopted.

Clauses 2 to 14 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HON. MR. Y. N. SUKTHANKAR : Sir, I move :—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

#### INDIAN COMPANIES (AMENDMENT) BILL

THE HON. MR. Y. N. SUKTHANKAR (Nominated Official) : Sir, I move :—

“That the Bill further to amend the Indian Companies Act, 1913, as passed by the Legislative Assembly, be taken into consideration.”

Sir this is a small Bill but of great practical utility to those whom it concerns Sub-section (2) of section 282B of the Indian Companies Act, 1913, requires that all the moneys of Provident Funds of Companies shall be invested either in the Post Office Savings Bank or in trust securities. No exception can be taken to this provision because, Sir, these amounts invested in the Provident Funds represent the savings of small and low paid servants of these companies. At the same time, the practical working of this provision has given rise to certain difficulties. It is found that the upper limit of the sum which can be invested in a Post Office Savings Bank is only Rs. 5,000. Further, a sum can be withdrawn from the Post Office Savings Bank only once a week. There are certain Provident Funds which have large amounts and a fairly substantial amount is required for carrying out the day to day work, which is estimated roughly at about 10 per cent. of the total amount in the Provident Fund. We have, therefore, provided that whatever difference there may be between the 10 per cent. or whatever percentage they require for their day to day expenses and Rs. 5,000, which is the upper limit of what can be invested in the Post Office Savings Bank could be transferred to a scheduled bank to be drawn upon for the day to day requirements. Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HON. MR. Y. N. SUKTHANKAR** : Sir, I move :—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

### RAILWAY COMPANIES (SUBSTITUTION OF PARTIES IN CIVIL PROCEEDINGS) BILL

**THE HON. THE PRESIDENT** (to the Hon. Mr. K. V. K. Sundaram) : You have been appointed to move this Bill in the absence of Sir Eric Conran-Smith. Will you move it ?

**THE HON. MR. K. V. K. SUNDARAM** (Nominated Official) : Sir, I move :—

“That the Bill to provide for the substitution of the Governor General in Council for certain Railway Companies in certain civil proceedings, as passed by the Legislative Assembly, be taken into consideration.”

Sir, as explained in the Statement of Objects and Reasons, the Bill is for the purpose of removing certain legal difficulties arising out of the recent acquisition by Government of the four Railway Companies, namely, the B. N., the B. B. & C. I., the B. & N. W. and the R. & K. The transfer of the contractual and other liabilities of the Companies to the Government of India does not bind the persons who are entitled to enforce these liabilities in a court of law. In certain cases the plaintiffs have not agreed to the substitution of the Governor General in Council for the defendant company. A similar legal difficulty is experienced by liquidators in completing the liquidation proceedings. Government have assumed in the process of acquiring these Companies the responsibility for their liabilities and obligation and the indemnification cannot be said to be complete until the Company's name in the outstanding civil proceedings has been removed and replaced by that of the Governor General in Council, and that is what the Bill seeks to do. Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HON. MR. K. V. K. SUNDARAM** : Sir, I move :—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

### INDIAN COCONUT COMMITTEE (AMENDMENT) BILL

**THE HON. SIR PHEROZE KHAREGAT** (Agriculture Secretary) : Sir, I move :—

“That the Bill further to amend the Indian Coconut Committee Act, 1944 as passed by the Legislative Assembly, be taken into consideration.”

I do not think, Sir, it is necessary to make any lengthy remarks in connection with this Bill. It is only a brief amending Bill. The original Coconut Committee Act was passed in 1944. There were, however, certain provisions of the Bill which appeared to depend on the continuance of the emergency legislation and it was thought that if those provisions were allowed to stand the Bill might lapse by September 1946. In order to remedy that defect, certain verbal alterations have been made in those clauses, so that it will now be possible for the Committee to continue on a permanent basis. There are some other minor verbal alterations about which I need say nothing. Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clauses 3, 4 and 5 were added to the Bill.

Clauses 6, 7, 8, 9 and 10 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HON. SIR PHEROZE KHARAGAT : Sir, I move :—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

### PROTECTIVE DUTIES CONTINUATION BILL

THE HON. MR. Y. N. SUKTHANKAR (Nominated Official) : Sir, I move :—

“That the Bill to extend the date up to which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect, and further to amend the Sugar Industry (Protection) Act, 1932, as passed by the Legislative Assembly, be taken into consideration.”

Sir, I do not propose to occupy the time and attention of the House longer than necessary. This is a Bill which may well be characterised according to some as of a purely routine nature, although it is of great importance to the industries and the interests concerned. The action we propose to take falls into three parts. In the first instance, Sir, we are asking for the consent of this House to the extension by one year of the protective duties on sugar, wood pulp, paper, cotton and silk manufactures, gold and silver thread and wire (including the so-called gold thread and wire mainly made of silver) and iron and steel manufactures, which were extended for a period of two years with effect from the 1st April 1944 and due to expire on the 31st March 1946. Secondly, we are asking for an extension of the protective duties on wheat and wheat flour which were also extended for a period of two years by the Protective Duties Continuation Act, 1944, which expire on the 31st March, 1946. In fact there are no duties on the imports of the products now. Someone has said “it is excellent to have a giant's strength but not to use it like a giant”. We propose to use it if circumstances warrant it. Lastly, besides continuing the protective duty on sugar for another year we consider it necessary to keep in force for the same period the whole of the Sugar Industry (Protection) Act, 1932, which ceased to operate after the 31st March, 1946, in order to keep alive certain provisions of this Act which are extremely necessary in the present days so that Government could keep themselves fully informed of the statistical position. Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HON. MR. Y. N. SUKTHANKAR : Sir, I move :—

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

THE HON. PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Sir, I think it will be to the convenience of the House if the discussion of this question (Bill to give Hindu married women Right to separate residence and maintenance) is postponed till the next day when the Council meets, I believe that this idea is acceptable to the Government and I trust therefore that you will have no objection in postponing the discussion to Monday next, when I understand the Council will meet.

THE HON. SIR MAHOMED USMAN (Leader of the House) : I have no objection. We will adjourn to the 15th when this Motion of the Hon. Pandit Kunzru will be taken up along with other Government business.

The Council then adjourned till Eleven of the Clock on Monday, the 15th April 1946.