

Date..... 24.11.2019

**THE
PARLIAMENTARY DEBATES**

**(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT**

1465

1466

HOUSE OF THE PEOPLE

Tuesday 25th August, 1953

—————
*The House met at a Quarter Past
Eight of the Clock.*

[MR. DEPUTY-SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

9-25 A.M.

ANDHRA STATE BILL—Contd.

Clause 66—(Provisions for Tungabhadra Project)—contd.

Mr. Deputy-Speaker: The House will now take up further consideration of the Bill.

Clause 66 and the amendments thereto have been under consideration.

Dr. Lanka Sundaram (Visakhapatnam): Sir, may I make a submission? Yesterday the hon. Finance Minister agreed to make a statement on the question of Chittoor, with reference to clause 66.

The Minister of Finance (Shri C. D. Deshmukh): The only point left to be considered was whether the Chittoor district should be added to the other districts for which irrigation or electricity was intended to be supplied from the Tungabhadra project. I accordingly made enquiries and I am sorry to have to say that the Chittoor district is not included in the 1942 project.

358 PSD

The next question is, if it is contended that the Chittoor district should have electricity supplied, then it would be a matter for the future Andhra State to decide. I take it that so far as the Mysore and Andhra States are concerned, the distribution of electricity will be strictly in accordance with the project, as it will be under the other heads, namely, irrigation or future construction of canals. Now, after receiving this electricity which comes to their share, it will be open to the Andhra State to consider whether they should accommodate the Chittoor district. Therefore, it seems to me that there is no need—and indeed it would be inadvisable—to make any addition to the districts which are mentioned in clause 66.

Mr. Deputy-Speaker: What is to happen to the existing provision of electricity in Chittoor district from Mettur?

Shri C. D. Deshmukh: That is another matter, Sir; that does not fall to be considered under clause 66 which relates to the Tungabhadra project.

Shri M. S. Gurupadaswamy (Mysore): The headworks of the project are situated in the transferred territory and there is a scheme for generating electricity and also a scheme for irrigation. I want to know from the Finance Minister whether if the Mysore Government agrees not to take power from this generating station, there will be any possibility of giving irrigation facilities to other areas in Mysore State in lieu of electric power. Because in Mysore State electric power is available and we need

[Shri M. S. Gurupadaswamy]

not have electric power. So, in exchange of electric power can we have irrigation facilities from this project for other areas?

Shri C. D. Deshmukh: That is precisely one of the matters that would be the subject of agreement between the two States after the Andhra State comes into existence.

Shri Heda (Nizamabad): I want to make one submission. So far as the Tungabhadra project is concerned, the Hyderabad State also is interested in it. If there is some dispute or other between the Mysore State and the Andhra State that may be formed, it is not clear from the statement of the hon. Minister whether the Hyderabad State will also be affected. If due to the dispute the Central Government feels that it should take control, will the Hyderabad State be affected?

Shri C. D. Deshmukh: I cannot imagine that any agreement between Mysore and the future Andhra State or any direction that the President may give in default of such an agreement is likely to affect prejudicially the interests of the Hyderabad State or the area in the Hyderabad State, which I understand is Kannada speaking, which will benefit from the Tungabhadra project.

Shri Heda: The position is nearly the same; in the beginning, it is Kannada-speaking but later on comes the Telugu area. I am not referring to that point. What I want to know is whether the Hyderabad State will be affected by any dispute between the Mysore State and the Andhra State.

Shri C. D. Deshmukh: I should say that nothing we do by this legislation is likely to affect prejudicially the interests of the Hyderabad State.

Mr. Deputy-Speaker: Now, I will put the amendment to the vote of the House. If any hon. Member wants to withdraw his amendment he may do so. Amendment No. 45, Shri Shivananjappa.

Shri Shivananjappa (Mandya): I beg permission to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Basappa (Tumkur): I also wish to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Gopala Rao (Gudivada): I want to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Raghavachari (Penukonda): I would like my amendment to be considered.

Mr. Deputy-Speaker: So I will put it to the vote. Let me see what other amendments I have to put to the House.

Shri Viswanatha Reddy (Chittoor): I beg leave to withdraw my amendment.

The amendment was, by leave, withdrawn.

Mr. Deputy-Speaker: Now, there is only one amendment relating to clause 66 and that is the one standing in the name of Shri Raghavachari. The question is:

In page 22, —

(i) line 36, before "purposes" insert "original"; and

(ii) lines 37 and 38, for "jointly by the said States or otherwise" substitute "by a Board consisting of both the Andhra and Mysore States representatives as also representatives of the Union Government".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 66 stand part of the Bill."

The motion was adopted.

Clause 66 was added to the Bill.

Clause 67 was added to the Bill.

New Clause 67A.

The Minister of Home Affairs and States (Dr. Katju): On a point of order, Sir. We had two hours' discussion on the question of directive, namely whether a directive can be inserted or not. All that was ruled out. Now, the whole question is whether the same thing in another form can come in. I submit that all this is barred by the discussion on the previous amendment.

Mr. Deputy-Speaker: The point of order is that it is barred. I would like to hear the hon. Member.

Shri Raghavachari: I anticipated an objection of this sort to be raised at a later stage. It was therefore that when the other amendment which in a way involved the same matter in another form came up earlier, I said...

Mr. Deputy-Speaker: I thought and still think that the President being asked to give directions is different from directive principles being included. Independently we may come to the conclusion that this is opposed to the Constitution and requires constitutional changes. I will treat it as an independent matter. But, I would like to be satisfied whether such directives can be given under the statute.

Shri Raghavachari: Of course, I am not rising to give an elaborate argument in favour of it, because, as I have indicated even yesterday, this is not a matter which really affects the Constitution. Nor am I seeking by this amendment to give any kind of directive derogatory to the province. All that I ask to be included is a provision saying that "In the governance of the State" it shall be the duty of the Andhra State to apply the principles contained in the Sri Baug Pact described in the Tenth Schedule." I am not imposing any conditions from outside. I only want that the Andhra State itself should have the

directive principle that in its governance it will honour the principles contained in this hoary Sri Baug Pact. I have already quoted yesterday Mr. Justice Wanchoo's recommendation that such a thing is permissible. In fact in our Constitution itself—I am only quoting this by way of analogy—we have directive principles incorporated. These directive principles are meant to focus and base the attention of Government on certain broad principles governing the administration of the country. It is not intended to fetter their discretion; nor is it intended to obstruct their policies.

So, from the legal or constitutional point of view, so far as I could see, there is no difficulty in the way of such a directive principle being included in the Bill which is meant to bring into existence the Andhra State, the governance of which is incidental to and is meant to satisfy and bring about contentment and good will among all sections of the area to which this measure applies. Therefore, my submission is that it is within the competence of this House to incorporate such a provision in the Bill. I beg to move:

In page 23, after line 41, insert:

"67A. *Directive Principle.*—In the governance of the state, it shall be the duty of the Andhra State to apply the principles contained in the Sri Baug Pact described in the Tenth Schedule".

Mr. Deputy-Speaker: Amendment moved:

In page 23, after line 41, insert:

"67A. *Directive Principle.*—In the governance of the state, it shall be the duty of the Andhra State to apply the principles contained in the Sri Baug Pact described in the Tenth Schedule".

Pandit Thakur Das Bhargava (Gurgaon): I wish to say a few words

[Pandit Thakur Das Bhargava]

In regard to the constitutional aspect of this amendment. A reference was made yesterday to the effect that we could not put in any provision in this measure by which the President's powers could be defined in regard to Part A States. I quite see that Article 371 of the Constitution applies only to Part B States. So far as Part A States are concerned, there is no question of any directives being issued from the Centre. But this particular amendment, does not, in my opinion, in any way offend the provincial autonomy of the States. Nor does it give any power to the President as such.

This amendment only seeks to direct the Government of Andhra to behave in a particular way. Yesterday the hon. the Home Minister was pleased to read to the House certain directive principles contained in our Constitution which say that so far as the weaker sections of the people are concerned, it was the special duty and responsibility of the Government to safeguard their interests. He was also pleased to interpret weaker sections as weaker tracts. If weaker tracts are included in the term 'weaker sections', I think there is very good reason when we are ushering in a new State to give a direction to protect the interests of the weaker tracts.

So far as this particular amendment is concerned, it is true that it refers to the principles contained in the Sri Baug Pact. It may perhaps be argued that the Sri Baug Pact may not be binding on the whole of the Andhra State. It was a pact between certain sections. Be that as it may, it is not claimed here that the entire Sri Baug Pact should be given statutory recognition. It is only suggested that the principles contained in the Sri Baug Pact may be respected in the governance of the country.

The hon. Justice Wanchoo has discussed this matter in pages 16 to 18 of his report. I submitted yesterday, and I urge today, with all the em-

phasis at my command that so far as the Rayalaseema people are concerned we ought to see that the agricultural and irrigational interests of that backward area are fully safeguarded. It was argued yesterday that there is no reason why we should distrust the new Andhra State and why we should have any fear that the new Government will not do full justice to Rayalaseema. I do not want to address myself to this aspect of the question now. It is not because of our want of faith in the Government of India that we enacted the Fundamental Rights in our Constitution. In this Bill itself we have given many directions to the new Andhra State. In giving this direction to the new Andhra State that they will give preference to the economic and irrigational necessities of Rayalaseema I do not think we are offending any provisions of the law.

When we were discussing the Constitution in the Constituent Assembly, I remember our Prime Minister stated that in Canada a provision was made that so far as the French population was concerned they ought to have a Minister of their own, and it was enacted that for all times to come in the Cabinet one Minister of the French people would be included. I therefore see no harm in such a safeguard. These safeguards do not mean that we distrust the Andhra State. These safeguards are provided to allay the fears of the people of the backward areas, born out of past experience.

Shri B. Das: (Jajur Keonjhar): There is no past fear.

Pandit Thakur Das Bhargava: My hon. friend says there is no past fear. There is such a fear in the mind of the Rayalaseema people and the Sri Baug Pact is the result of it. Again, whatever may be the assurances that may be forthcoming, unless there are regular statutory safeguards they are of little value. We may not take notice of the whole of the Sri Baug Pact. But in regard to economic and irrigational matters I would suggest

an amendment on the following lines: 'In regard to agricultural and irrigation schemes of the State, preference may be given to the Rayalaseema area.' There is no harm in our incorporating such a provision. On the other hand it will be a very useful and salutary safeguard. Constitutionally, I do not see any difficulty in making a provision like this. Again, this safeguard need be made only for the first ten years. I found Member after Member rising in his seat and pleading for the safeguard of the interests of the Rayalaseema people. I do not see how we will be going against the Constitution by enacting a safeguard like this.

Shri S. V. Ramaswamy (Salem): On a point of order, Sir. I remember that on the same subject both Pandit Thakur Das Bhargava and Mr. Raghavachari Spoke yesterday. I do not know the rules on the point. Would you kindly give a ruling as to whether the same Member can speak more than once on the same clause?

Pandit Thakur Das Bhargava: I have not understood what the hon. Member's point of order is. I would request him to repeat what he says because he has made a reference to me also.

Mr. Deputy-Speaker: The point of order raised by him is whether the Members who have spoken on a subject can speak on the same subject again?

Pandit Thakur Das Bhargava: May I submit, Sir, that my friend raised a point of order yesterday. Today also he is raising a point of order.

Mr. Deputy-Speaker: There is no objection to some hon. Member intervening at various stages. Eventually the same subject matter was discussed yesterday and disposed of by the House. I was here when the matter in connection with clothing the President with powers to give directions was raised by one Member. Under the Constitution that power is exercisable only in relation to Part B States. It does not arise in respect of Part A

States and, therefore, you cannot take away from Part A States the autonomy which they are entitled to have. The President here means "President acting in consultation with the Council of Ministers." The directive principle suggested in the amendment as part of the statute is not given by the President. Therefore, this is not to be taken as barred, whatever might have happened yesterday in relation to the other amendments. I hope the hon. Member will be brief. So far as I am concerned, I would say that it is a serious responsibility for the Chair to give a decision as to whether a particular matter is *ultra vires* of this House or not under the Constitution. I would leave it to the House to decide.

So far as this matter is concerned, the directive principles are there under Article 39 of the Constitution. If perchance an hon. Member should suggest that the very directive principles should be incorporated, though it may be a redundant and unnecessary thing, exception cannot be taken to that. The Article reads thus:

" 39. The State shall, in particular, direct its policy towards securing—

- (a) that the citizens, men and women equally, have the right to an adequate means of livelihood;
- (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;..."

These are given in some detail in the Sri Baug Part and are sought to be added through this amendment. The only question is, how far they go beyond the statute. These are the arguments which can be advanced in support of inclusion of such directives I do not propose to give any ruling myself. I leave it to the House. I will call upon the hon. the Home Minister to speak both as regards the legal aspect and also the desirability

[Mr. Deputy-Speaker]

of allowing these provisions to be incorporated in the Bill.

Shri Gopala Rao: Yesterday more than a dozen hon. Members spoke and it was fully discussed and a reply was also given by the hon. Minister.

Mr. Deputy-Speaker: I have already said that this is not on all fours with the inclusion of directive principles in the Constitution so as to make me say that this is barred by the discussion that took place. This is a different matter. In one case President has to take charge or to give directions and in the other case it is the House that has to give directions in regard to certain principles in the constitution and elaborate them. Of course, these are two different matters. So far as I am concerned, I feel that it is for the House to decide. I would only say that having regard to the fact that this is a matter which was discussed at great length yesterday—though in connection with some other matter—hon. Members may take as little time as possible and then those who have already taken part need not once again stand up.

Shri Raghaviah (Ongole): On a point of information. Is the hon. Member entitled to give an amendment in support of the discussion which seeks to amend the Constitution itself?

Pandit Thakur Das Bhargava: It is not an amendment to the Constitution.

Mr. Deputy-Speaker: The hon. Member has not been following the discussion here. The same objection was raised just a few minutes ago. What I said was that it has been sought to be supported on the ground that it only works out certain provisions in the Constitution. I do not like to take the responsibility for shutting out any particular provision. I leave it to the House to decide this question both as a matter of law and as a matter of fact. Now instead of spending any more time on that matter I will give an opportunity to

the Member to speak on its merits, if necessary.

Pandit Thakur Das Bhargava: I have not yet finished.

Mr. Deputy-Speaker: All right.

Pandit Thakur Das Bhargava: I understand the point of the objection is this, that since yesterday we discussed this question at length, the hon. Members are not willing to hear the same arguments repeated. I can appreciate that but unfortunately I am a great optimist and I have every hope and I believe that the hon. the Home Minister and other Members of the House are open to conviction. I do not speak in a light-hearted manner, as was said by the hon. the Home Minister yesterday. I am very serious about it and I sincerely hope that the hon. Home Minister will keep an open mind on this subject.

Dr. Katju: I have an open mind.

Pandit Thakur Das Bhargava: I believe that, otherwise I would not waste the time of the House.

As regards those who opposed this amendment yesterday, even to such Members I would very humbly appeal that they should kindly reconsider what we are saying and keep an open mind on the subject. This is a very serious subject and when I read the statements given in this Wanchoo Report, then my submission is all the more heightened in effect because as a matter of fact it has been said in this Report that if this Sri Baug Pact is not respected and its principles are not respected, then there will be very great disappointment in these five districts of the Andhra State. I would, therefore, submit that if an open mind is not kept on this question, the five districts of the Andhra State will feel dejected. I would request my hon. friend, Mr. Ramaswamy, not to be impatient. When we have got directive principles in the Constitution—the hon. the Deputy-Speaker has read out one and yesterday the

hon. the Home Minister read out another—it is quite true that it would be unnecessary to repeat them because the word "State" as defined in Part II is similarly defined in Part IV. So even without the directives being put in this Andhra State Bill, the provisions of the Constitution will apply to the new Andhra State. There is no doubt about it. We are only particularising some of the aspects of the principles given in the Constitution.

When a reference is made to the principles contained in the Sri Baug Pact it is only to add something to explain, what is meant by "directive principles" in the context of Andhra State. So, nothing will be lost if, as a particular example of the directive principles given in the Constitution, we also add that the principles of the Sri Baug Pact should be applied so far the governance of the Andhra State is concerned. We are not doing anything wrong. We are only adding as an example, as an illustration, certain things contained in the Constitution. We should seriously consider that by this we are really only upholding the Constitution and insisting that the provisions of the Constitution as exemplified by this amendment should be followed in the governance of Andhra. I would, therefore, very humbly submit for the consideration of the House that this aspect of the case should be considered; it has not been considered so far.

Yesterday, when the President's Powers came up for discussion, we all knew that the objection raised by the hon. the Home Minister was perfectly correct. I do appeal to the hon. Home Minister that he will kindly reconsider the question. If it is not constitutionally possible to do so, he may find some means himself to come to the rescue of the Rayalaseema people, to do something by virtue of which they can be assured of their rights which they should get from their own brethren under the Sri Baug Pact. It is futile to think that that Pact, when it was made was only

for that time and now it is dormant. This is certainly the time to see that the principles of the Sri Baug Pact are respected and followed in the future governance of Andhra.

Shri Raghavachari: I shall be very brief, Sir. In addition to the arguments I have advanced yesterday I would only add a few words on the necessity for the incorporation of these directive principles in the enactment. I have already said that Justice Wanchoo has recommended its necessity. But I want to give a few of our experiences which make that part of the country feel that it is essential to include it as a directive principle.

For instance one of the clauses of the Sri Baug Pact is about irrigation facilities. It is given in *extenso* on page 16 of the Wanchoo Report and reads thus:

"To ensure the rapid development of the agricultural and economic interests of Rayalaseems and Nellore on to the level of those in the coastal districts, schemes of irrigation should, for a period of ten years or such longer period as conditions may necessitate, be given a preferential claim specially in respect of the utilisation of the waters of Thungabhadra, Krishna and Pennar, giving for ten years exclusive attention in respect of major projects beneficial to these areas.

Whenever the question of sharing waters arises, the needs of the aforesaid areas be first met and that this policy be implemented...etc."

This is in relation to the irrigation facilities to be provided. I will for instance give you our experience. We were agitating for the construction of one small project in Anantapur called the Pennar—Kumudwavati project from 1921 onwards. At that time it was estimated to cost only Rs. 6 lakhs. During the old regime it was not possible to attract the attention of the Government through representations

[Shri Raghavachari]

of this kind. But even when the Congress Government came into power in 1937 we asked that that project should be sanctioned at least as a famine measure. You know, Sir, there is some Government Order or principle by which the Government is guided in the matter of investing money on these projects. It was a rule that it must when worked out on paper, must ensure a return of 3½ per cent. And they would always refer to this principle and say "As worked out, your project does not give to this 3½ per cent, therefore it cannot be taken up". And it went on like that.

A backward area has to be brought on to a better level taking the economics into consideration, we were urging before them. Every alternate year or third year you spend Rs. 30 or Rs. 40 lakhs on famine relief, but whenever we ask you to invest some money on an irrigation project which will avoid this famine expenditure every other year, you say there is this Government order; well, you do not really take an overall picture or a fair view like reasonable statesmen. It was for this reason that we agitated and when the Congress Government came into power we asked them that at least as a famine measure this project might be taken up. And one of the Andhra Ministers who was in charge of Irrigation and Revenue did make an order that it may be taken up as a famine measure. But immediately came the Chief Minister who said : this offends the Government order, therefore it cannot be taken up.

So it went on and from 1937 to 1947 the agitation continued, and year after year the famine relief expenditure, instead of lakhs, came to crores. I do not mean to say that if a project had been constructed, famine would not have come. But surely it would not have been as severe. In that way the expenses might have been saved.

Ultimately, when the Central Government was kind enough to contribute some fifty per cent under the

Grow More Food scheme or aid to minor Irrigation Schemes, this scheme came to be taken up. The consequence was that for a thing which could have been done in Rs. 6 lakhs they had to invest later Rs. 21 lakhs. There is one more thing. You know when they have to make up these figures and estimates, the total outlay on any project, to entitle a contribution from the centre, must not exceed Rs. 20 lakhs, the limit the Central Government have fixed for their contribution. Therefore they put it at Rs. 20 lakhs. What happened was this. The dam was built. It was constructed. But the water had to go to fill the tanks. The channels had to be dug. If permanent channels are to be there the entire expenditure would have exceeded Rs. 20 lakhs. Therefore they put some earthen Bunds. When the whole thing was completed, fortunately this year there was good rain and we had a flow of water in the channels. But the bunds breached. The water could not go to the tanks. It breached once, was repaired, it breached again, was again repaired. So it is going on like this.

10 A.M.

I am mentioning this particular instance to show that unless there is such a directive principle, that in the matter of irrigation facilities special attention and special consideration should be given, there will be this kind of "foot-rule measure" and "all must be considered equal" Things will go on like this and people will not have contentment or satisfaction that their interests will be safeguarded. That is the real reason behind this feeling of seeking to incorporate a directive principle of this kind. That is so far as irrigation facilities are concerned.

The other thing is about education, that is the University. That is really a matter not for the Centre. That is why I have not put in all those details into it. All that I ask is that there should be a directive principle to apply the principles contained in the

Sri Baug Pact. And, as I said yesterday, there is a clause there about equal representation—that in the modern 'set up' it may be difficult to honour. So it is not really a matter which requires to be considered now. In this Pact naturally emphasis was laid on the choice of one of the two headquarters, the High Court or the Capital. Preference should be given in the matter of irrigation facilities and agricultural improvement. Educational facilities should be provided for by the University for Rayalaseema districts. These are meant only for the purpose of securing the maximum goodwill between the two sections of the people. The Home Minister said yesterday that these directive principles are agreed to only by some sections of the people and therefore they may not be universally acceptable. I did advance some considerations yesterday, supported by Justice Wanchoo's Report, that these terms of the Sri Baug Pact are not confined to certain sections of people. As I said yesterday, wherever he went all the people swore by the terms of the Pact; all want them to be implemented, all are agreed that those terms should be implemented. Therefore this method of preferential treatment by a directive principle is essential and necessary. There are reasons for seeking to incorporate it and its non-incorporation would be only creating dissatisfaction and resentment, a thing which all of us are interested to avoid. We are all interested in securing the goodwill of all sections.

Therefore I would only request the hon. Members of this House not to be guided by smaller considerations of technicalities, of meticulous examination; or whether it might, by inferential process, mean reflections on this or that section of the population. It ought not to be considered in that small view. What we have to take is a very broad view of things and then take steps to secure the maximum benefit, and contentment. And that would come only by the whole House sympathetically considering

the matter and seeing to it that this kind of directive principle is incorporated in the enactment. The directive principle is not meant for all time. It is agreed that this is to be there till they come up to the level of the others: may be 10 years or some time longer that is permissible. This sort of consideration of issuing direction for 10 years is thought justifiable even under the Constitution. I am referring to it by way of analogy. In this case, the term in regard to irrigation facilities is for a period of about 10 years. Unless this matter is sympathetically considered, large sections of population in these districts called Rayalaseema will think that their case has not been sympathetically considered and their grievances remedied, and that although men of experience, men of good will and imagination wanted to incorporate a provision like this to secure the maximum good will, all their labours were lightly considered and bore no fruit. Therefore I request that this amendment may kindly be accepted.

Shri B. Das: Three years ago, when we accepted the directive principles in the Constituent Assembly, we never thought that in creating the new Andhra province, we will be faced with trouble of incorporating some of the directive principles in a statute of this House. I am against it. I do not want the statutes to be disfigured by suspicions between two brothers. To us outsiders, though I am very closely associated with the Andhra State being their good neighbour, one is creating an Andhra State and is not legislating here for the protection of imaginary grievances that might have happened under the joint Government of Madras or under the former British regime. We are not here to examine that. It is a matter for the new Andhra State. Let them examine that. If two brothers cannot live under one legislature in Andhra and if they are suspicious of each other, it is a sad commentary on the condition of the people of Andhra. I cannot imagine that my friends living in the

[Shri B. Das]

sea coast of Andhra State will always tyrannise and obsess and deprive the people of Rayalaseema of their rights. I never thought that the heart of my esteemed friend, Pandit Thakur Das Bhargava—we are very intimate friends and we worked in our own way for the framing of the Constitution—who is living in the Punjab, would melt for the imaginary grievances of the people of Rayalaseema. We recognise that they have been neglected: not by the Andhra people who live on the sea coast of the Andhra State, but by circumstances. Yesterday, a friend of mine blamed the British Raj. I again blame them. They always kept the people living on the hills and the backward areas less developed and underdeveloped. But, that does not mean that President will intervene or that this House will take the power in its own hands and legislate so that any imaginary grievances may be corrected by the incorporation of certain directive principles in a Central Act. I am against it. I am against any provision other than those provided in the Constitution, being made by this House to protect some interests. The elected Members of the Andhra State are under the adult franchise. I think adult franchise will give equal rights to the people of Rayalaseema and they need not always be apprehensive of their cousins living in the eastern coast. I can understand if their suspicions were against the present Madras Government. The Tamilians are richer people. Perhaps they have got a culture which is not very fond of the Andhra culture and naturally there may not be complete accord between the two sections of the present Madras State. But, I cannot imagine that my brother Dr. Lanka Sundaram will be speaking in deriding tones in an Andhra legislature about the people of Rayalaseema. We who do not belong to the Andhra State, are not here to legislate.....

Dr. Lanka Sundaram: May I interrupt my hon. friend? When did I do that? I have never done that.

Shri B. Das: I do not imagine that; I cannot think of my hon. friend in that light.

Mr. Deputy-Speaker: There are no two different cultures. There is an occasional fight between two brothers. Nothing more than that.

Shri B. Das: You have summed up my view. In your preliminary observations, you have already shown how your mind is working.

Mr. Deputy-Speaker: Better leave it to them to settle.

Shri B. Das: I will close my speech. I agree with you that it must be settled by the two brothers living together, inter-dining and inter-marrying. Though I am thankful to Pandit Thakur Das Bhargava, I am not in a position to countenance the Centre passing such laws. They have no right to do so.

Pandit Thakur Das Bhargava: Why do you have provisions in the Constitution giving special rights to the weaker sections of the community?

Shri B. Das: That is in the Constitution.

Pandit Thakur Das Bhargava: Why?

Dr. Lanka Sundaram: I am surprised that my hon. friend Mr. B. Das, the Father of this hon. House, should have taken up the position of opposing the principle of this amendment. In this very same Bill, there are a number of provisions, for example, in relation to the High Court, in relation to the Tungabhadra project, etc., where power is sought to be given to President, or power is sought to be taken by the Government of India. I do not know in what manner the acceptance of this particular amendment of my hon. friend Shri Raghavachari would militate against the Constitution. I thought, when this debate went on in a different way yesterday with reference to another clause, that the legal and constitutional points were exhausted. I would be brief and I would make only one appeal to the hon. Home:

Minister even at this late stage to do some thing about Rayalaseema. For the first time in the history of Andhra—we have 2,000 years and more of history behind us—there is an attempt to re-unify the people. Every one of, during the course of this debate for the last 7 or 8 days, belonging to every political party, either on this side or that, is completely unanimous in regard to something being done for Rayalaseema people. This being the case, legalistic arguments need not be brought in. This particular amendment which is completely different from what we discussed yesterday, could be incorporated in one manner or another. I do trust that the hon. Home Minister will see his way to accept the amendment of my hon. friend Shri Raghavachari in order to give the people of Andhra an opportunity to come together and be together on terms of complete understanding and co-operation.

Shri Lakshmayya (Anantapur): I am thankful to the Chair for giving me the opportunity to speak. I do not want to repeat the arguments advanced by my hon. friends yesterday and today. To come to the point all along, the cry of Rayalaseema has been a cry in the wilderness. Our tale is a tale of woe. Even this year, nature have been cruel to us. In some parts, particularly in the Taluks of Kalyandrug, Penukonda and Tadpatri in my district, there is scanty rainfall. Famine relief works are yet going on and gruel centres are still there. Nature that is unusually cruel by causing destruction and devastation by the Godavari floods this year in some parts of the Andhra State, has shown its usual disfavour in other parts in the shape of draught particularly in my district. That is why we have been pressing for the implementation of the terms of the Sri Baug Pact. The terms of the Sri Baug Pact as mentioned often by my predecessors are intended to help the Rayalaseemites and Nellore in improving their economic interest particularly, affording irrigation facilities. Emphasis is laid on irrigation works in it. We are thank-

ful to the whole House, particularly to our hon. friend, Pandit Thakurdas Bhargava for expressing deep sympathy for Rayalaseema and also for supporting us. Next we are grateful to the hon. Minister for Home and States and also to the hon. Minister for Finance for the merciful attitude taken in regard to Rayalaseema but I may submit any amount of sympathy will not fill the bellies of the millions of starving people of Rayalaseema. We request, the Centre to give us a ready hand, a helping hand, I beg particularly of our Home Minister who has got a mature head, ripe experience, and a fund of legal knowledge to find some way, either by incorporating a directive principle in the Bill or by giving a direction to the new Andhra State to implement the terms of that pact. We are suffering from a disease which is not an incurable one. It will be cured before long if at all the Central Government or the state is kind enough to come forward, as a physician with a physic of sufficient finance. Our land is not barren. It is a fertile one. We have been producing one-third—of the oil seeds, groundnut, castor and other seeds that have been produced in the whole of Madras. We have not got even one oil mill. We have been producing one-third of cotton that is produced in the whole of Madras State but we have not got one textile mill. We are badly in need of this industry.

Next while our land is fertile we have no timely rain to raise crops. We are badly in need of irrigation facilities. My hon. friend, Mr. Raghavachari, has just now read the report of Mr. Justice Wanchoo and emphasized on providing irrigation facilities and asked that some preferential claim should be given to the irrigation works of Rayalaseema, when the new Andhra State comes into existence. We have got only one big river in Rayalaseema, viz., the Tungabhadra, and its history was discussed at length yesterday. I need not go into it now.

Then coming to Pennar and Krishna, we have been longing and requesting

[Shri Lakshmayya]

the Government to take up the project works which would irrigate the Cudapah and Chittoor districts. We have been requesting both the Central Government and the State to include a high level canal of the 'Thunga Bhadra' in the Five Year Plan but all our requests fell on deaf ears. That is why we are approaching the centre with these repeated requests to do something to help the poor, helpless Rayalaseema people, to promote their economic interests by providing them with irrigation facilities and electricity, which would help them to improve irrigation and enable them to start industries.

With these few words I support this amendment. I request and appeal to the mercy of the Home Minister to find some way to help them. The terms of the pact are only safeguards for us. If they are not implemented, there will be a great disappointment among the people of Rayalaseema and it would cause a great resentment also. They apprehend that they would be again dominated and exploited by the coastal districts. Let them enter the new State with contented and satisfied frame of mind. Do not disappoint us. Do something to help us. Where there is a will, there is a way. Kindly find the way to help us. With this request I support this new clause.

Dr. Katju: Mr. Deputy-Speaker, it is unnecessary to dwell for the tenth time on the fact that I personally, the Government of India and the House, every one of us here—feel deeply for the difficulties of our citizens in Rayalaseema and I hope and trust that the first duty that will devolve upon the Andhra State and its Legislature will be to do something for them. But the question that arises here is a different one. It is both legal, and may I say, one of expediency. So far as the legal aspect of it is concerned, I touched upon it slightly yesterday; but as you have been pleased to refer to the new clause which was sought to be

introduced yesterday, viz., 64A., I would say this is a directive principle. We have directive principles in the Constitution. The basic thing about these directive principles is that they are applicable to the entire Union. Those principles indicate that they are generally of an all India application and I submit that it is not within the power of the House—that is my own legal opinion and that is the opinion we have received from our legal advisers—to seek in this Bill to introduce a directive principle not of all-India application but limited to a particular State. I would ask the House to bear in mind that we are now legislating under Part I of the Constitution. Now Part I says under article 3 that Parliament may by law form a new State in several ways, viz. by dividing, uniting and so on and so forth, and then it says under article 4 that "Any law referred to in article 2 or article 3 shall contain such provisions for the amendment of the First Schedule and the Fourth Schedule as may be necessary to give effect to the provisions of the law and may also contain such supplemental, incidental and consequential provisions...as Parliament may deem necessary." Now, these are supplemental, incidental and consequential provisions as between two States. You are dividing one State and making it applicable to it. Now you may have supplemental, incidental and consequential provisions with relation to or *inter se* between the new State and the residuary Madras State. All this may be perfectly relevant in Article 4 but what you are now doing here is something which has nothing to do with the residuary Madras State. You want to do something for the guidance of the Andhra State itself. I respectfully submit that the legal advice is that we cannot do it under article 4 and all we ask hon. Members is to consider this aspect of the matter. Now apart from these legal objections we have got all these difficulties in the reorganisation of the State. Was it ever contem-

plated by the Constitution makers that in these laws which Parliament may have to pass under this particular Part 1 you may have directives not to confine, as I said, to the dividing States?

Shri Lakshmayya: I wish the hon. the Home Minister should direct the Andhra State to constitute a Board for the development of Rayalaseema with sufficient funds to be utilised for a period of five years at least to promote their interests.

Dr. Katju: That is entirely within the jurisdiction and competence of the Andhra Legislature. This is a common thing. We have got, you know, a State list. The executive authority of the State is to be found within the...

Shri Lakshmayya: This is a parental State. The son would approach the father for direct help or for directing another son, to look after the sickly son. That is why we are making this request. I am sorry for the interruption.

Dr. Katju: Supposing irrigation, power or any particular subject is within the State list. It is open to Parliament to say that that particular matter is to be dealt with not by the State Legislature which is to be constituted, but in a different fashion altogether. So far as my advice goes, we cannot do it. As I said, our sympathies are there. Here are five districts as against six coastal districts in the Andhra Desh. Supposing Parliament adopts this principle today, then there will be a precedent, and with all the demands that you are listening to every day, you may take it that when this kind of Bill comes before Parliament, there may be a demand: "Look at me, I am District 'A'. I have no confidence in the component parts of the new State, and therefore, please put in a directive for District 'A' in that State, District 'B' in the second State, and District 'C' in the third State." And these demands would be made everywhere. It was never contemplated. I respect-

fully submit, that this should be done in this matter.

Now, so far as the merits are concerned, we have here heard a great deal about the Sri Baug Pact. I do not want to go into it. It was an understanding between leading public men of that particular time. Now you want to elevate that Sri Baug Pact upon high legislative anvil. Because it is a directive it has got no legislative effect. It has no executive effect. It cannot be enforced in any Court. It is a mere enunciation of what you may call a theoretical principle, a sympathetic principle. What is it? My hon. friend says in his amendment:

"In the governance of the State, it shall be the duty of the Andhra State to apply the principles contained in the Sri Baug Pact described in the Tenth Schedule."

This is what my hon. friend seeks to insert. If Clause 67-A is passed, this will come into effect. I was looking into the Sri Baug Pact, and it refers, firstly, to Universities. It is a matter for the universities. Then comes irrigation. Then comes the Legislature.

"In the matter of general seats in the legislature, the distribution shall be generally on an equal district basis."

I do not know what it means.

Shri Raghavachari: I have stated it is not possible to be honoured in the present set-up.

Dr. Katju: And then comes the very last clause here:

"It shall however be open to vary these terms by common consent."

What does it mean? I have never heard, I have not known of a single precedent where any agreement entered into by public men about ten years back—I do not know the exact date of it—is taken as a guide—to whom? to the Members duly elected, and you say "You are bound by that". My

[Dr. Katju]

hon. friend Dr. Lanka Sundaram made a very emotional appeal and said that Andhras are coming together, they are uniting after 2,000 years. It touched my heart. But you go there. You hold your first session of the Legislature. My hon. friend will have many friends, and I think the very first resolution that should be moved in the Andhra Legislature should say: "This House re-affirms most emphatically its most sincere concern and genuine sympathy with the Rayalaseema people, and hereby resolves that in matters of irrigation, rural electrification, distribution of power, distribution of seats and everything else, the Rayalaseema people or the Rayalaseema tract shall have the highest consideration." Every Member should speak in its favour. It will be carried by acclamation. Your purpose will be served.

What is there to it? What does this directive amount to? The directive is only four lines. You do not direct anybody. You do not direct the Governor, you do not direct the Ministers. You say the Andhra Government or the Andhra State should do this, that and the other. When Parliament enacts a law, it enacts with a certain purpose. As a matter of fact, even in our Constitution, the mention of directive principles is something unusual. Otherwise, it is only words of sympathy. Those words of sympathy should not come from this House. They have come in abundance. They should come from the newly constituted Andhra Legislature. Otherwise, supposing the directive is there, it is completely neglected, nobody acts upon it, what is to be done? It will become worthless, written on paper. The best thing is, let Dr. Lanka Sundaram who has enormous influence, go about Andhra Desh, go to the coastal district people, and induce them to translate their sympathy into action by passing proper budgets and making proper provisions. Therefore, on the grounds, firstly that it is really inconsistent with the Constitution,

secondly that it serves no useful purpose, and thirdly that it may serve as a very bad precedent for the future—it may put us into great difficulties, and it may lead us into a path which we never imagined—I think it should not be passed.

Shri S. V. Ramaswamy: May I also point out that the amendment is unconstitutional, against the Constitution.

Mr. Deputy-Speaker: The hon. Member ought not to take possession of the House like this. The whole thing is closed. The House will vote in favour or against it. The question is

In page 23, after line 41, insert:

"67A. Directive Principle: In the governance of the State, it shall be the duty of the Andhra State to apply the principles contained in the Sri Baug Pact described in the Tenth Schedule."

The motion was negatived.

Clauses 68 and 69 were added to the Bill.

The First Schedule was added to the Bill.

Second Schedule.

Shri Gadilingana Gowd (Kurnool): I beg to move:

(i) In page 25, line 22, omit "and Bangunapalley sub-taluk of the Kurnool district."

(ii) In page 25, line 27, after "Anantapur district" add "and Bangunapalley sub-taluk of Kurnool district".

Mr. Deputy-Speaker: He may speak if he wants to say anything.

Shri Venkataraman (Tanjore): Sir, this Clause is barred by the decision already taken in respect of Clauses 3 and 4 of the Bill. The territories of

the State of Andhra have been defined in Clause 3, and the transferred territories are defined in Clause 4.

Mr. Deputy-Speaker: If that is already passed, exclusion will be barred. But will inclusion also be barred?

Shri Venkataraman: Any attempt to vary the territories already accepted by this House as forming the territory of Andhra or Mysore State would be barred by the previous decision.

Mr. Deputy-Speaker: The amendment is to include certain things, and it does not seek to exclude. The decision is that this shall form part of the Andhra area.

Shri Venkataraman: May I make that point clear? Clause 4 says what shall be the territory of the Mysore State, i.e., the transferred territory; and Clause 3 says what shall be the Andhra territory. The territories referred to are Bangunapalley sub-taluk of the Kurnool district, which is already covered by Clause 3.

Mr. Deputy-Speaker: I agree. I thought it was an addition, but I find that it is a subtraction. Therefore I will rule it out of order.

Shri Gadilingana Gowd: I am not asking for any exclusion or any inclusion. I am only asking for an adjustment within the boundaries of the new Andhra State. I want Bangunapalley sub-taluk to be added on the Anantapur constituency.

Mr. Deputy-Speaker: He wants Bangunapalley sub-taluk to be omitted from the Kurnool constituency, and to be added on the Anantapur constituency. Am I right?

Shri Gadilingana Gowd: Yes.

Shri Lakshmayya: Sir, that is my constituency.

Mr. Deputy-Speaker: The amendments seek to omit that constituency from Kurnool, and add it on to the district of Anantapur. That is quite in order.

Shri S. V. Ramaswamy: I understand that it has a population which exceeds 500,000.

Mr. Deputy-Speaker: That is another matter—on the merits of the amendments. That rests on an independent footing. The point now is that there is no technical objection on any constitutional issue that these are barred by the passing of Clauses 3 and 4. The hon. Member may therefore appeal to the House and persuade it to accept his amendments.

Shri Gadilingana Gowd: The present Kurnool constituency consists of Adoni, Alur, Kurnool, Pattikonda and Siruguppa. Now, Siruguppa is going to Mysore State. It has population of 74,966. The Government are now adding to the constituency of Kurnool, Dhone taluk and Bangunapalley sub-taluk, in place of Siruguppa which is going to Mysore. Dhone taluk alone has a population of 1,27,234, while the population of Bangunapalley taluk is 43,447. In place of Siruguppa with a population of 74,966, the Government now intend to substitute a constituency with a population of 1,70,681

According to the latest order of the Delimitation Commission, 28 seats are reserved in the House of the People for the new Andhra State with a population of 2,50,07,801. Each seat works out at the rate of one per 7,50,954 of the population. Not only four constituencies have been brought within the scope of this Bill for amendment. The constituencies that they exist will be as follows:

Constituency	Population
Anantapur	7,19,204
Penukonda	7,50,814
Nandyal	7,86,252
Kurnool	8,46,669

For the 28 seats allotted to the Andhra State in the House of the People, the average works out to one seat per 7,50,000 of the population. Nandyal has a population which is above this average. Penukonda

[Shri Gadilingana Gowd]

just the average figure, whereas Anantapur has got a population of only 7,19,204, which is about 30,000 less than the average.

Therefore, I move this amendment, and I request the hon. Home Minister to get the question examined, and accept this amendment in the interests of justice and equity.

Mr. Deputy-Speaker: Amendments moved:

(i) In page 25, line 22, omit "and Bangunapalley sub-taluk of the Kurnool district."

(ii) In page 25, line 27, after "Anantapur district" add "and Bangunapalley sub-taluk of Kurnool district."

Shri Lakshmayya: I oppose this amendment. It relates to my constituency, and therefore I want to say a few words. I would suggest to the hon. Minister that this amendment may be opposed and should not be accepted, because the matter is being enquired into by the Delimitation Commission, which is going into the merits of the question. The said Commission will consider the pros and cons of the issue. Later on, after their decision is finalised, on merits, it will be proper for the centre to add or subtract or do whatever it seems fit and necessary. When the matter is pending before the Delimitation Commission, it is not desirable to go into the question now, and decide here. The matter may be finally decided, after the findings of the Delimitation Commission are finalised on this regard. Till then, status quo may be maintained.

Mr. Katju: I am unable to accept these amendments for substantially the same reasons as have just now been mentioned by the hon. Member who spoke first.

Mr. Deputy-Speaker: I shall now move amendments Nos. 132 and 133 to

the vote of the House. The question is:

In page 25, line 22, omit "and Bangunapalley sub-taluk of the Kurnool district."

The motion was negated.

Mr. Deputy-Speaker: The question is:

In page 25, line 27, after "Anantapur district" add "and Bangunapalley sub-taluk of Kurnool district."

The motion was negated.

Mr. Deputy-Speaker: The question is:

"That the Second Schedule stand part of the Bill."

The motion was adopted.

The Second Schedule was added to the Bill.

The Third Schedule was added to the Bill.

Fourth Schedule

The Deputy Minister of Home Affairs (Shri Datar): I beg to move:

In pages 27 to 29, for "21st April", wherever they occur, substitute "20th April."

Shri Raghavachari: May I know whether it is a clerical mistake, or whether there is any reason why 21st becomes 20th?

Mr. Deputy-Speaker: He wants to know the object of changing it.

Shri Datar: The reason was that it was wrongly mentioned as 21st April, while actually the term expires on the 20th itself.

Mr. Deputy-Speaker: The question is:

In pages 27 to 29, for "21st April", wherever they occur, substitute "20th April."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That the Fourth Schedule, as amended, stand part of the Bill."

The motion was adopted.

The Fourth Schedule, as amended was added to the Bill.

The Fifth and Sixth Schedule were added to the Bill.

Mr. Deputy-Speaker: The Seventh Schedule may stand over. We shall take up the Eighth Schedule.

The Eighth Schedule was added to the Bill.

Dr. Lanka Sundaram: I want to move my amendment No. 39, Sir.

Shri Raghuramalah (Tenali): May I suggest, Sir, that as the Schedule relates to institutions in the State of Madras and has got some connection with the compensation payable provided for in the 7th Schedule, clause 47, the 7th Schedule and the 9th Schedule may be taken together?

Dr. Katju: Let it stand over till we finish the 7th Schedule.

Mr. Deputy-Speaker: The Ninth Schedule will also stand over. Can the House take up clauses 47 to 52?

Dr. Lanka Sundaram: There is one amendment of Shri Raghavachari regarding the 10th Schedule.

Mr. Deputy-Speaker: Tenth Schedule is a schedule to a new clause 67A which was lost. So that falls to the ground. I shall take up clauses 47 to 52.

Dr. Lanka Sundaram: Clause 51 relates to the 7th Schedule.

Mr. Deputy-Speaker: I shall call amendments to all these clauses together, one after the other, and all the clauses and the amendments will be discussed along with the 7th Schedule.

358 PSD

Shri Venkataraman: That would be very inconvenient, Sir, because each one relates to a specific matter.

Mr. Deputy-Speaker: I will put all the clauses to the vote of the House.

Shri Venkataraman: Discussion may be on each clause.

Mr. Deputy-Speaker: All right. Clause 47.

Shri Gopala Rao: Clause 47 and the 7th Schedule may be combined.

Mr. Deputy Speaker: Yes.

Clause 47.—(Assets and liabilities)

Dr. Lanka Sundaram: I beg to move:

In pages 14 and 15, for clause 47, substitute:

"47. *Apportionment of assets and liabilities.* The assets and liabilities of the State of Madras as dealt with in the Seventh Schedule, as also current revenues and expenditure, shall be divided between the States affected by this Act by an order of the President of India, on the recommendation of a neutral commission of experts, presided over by a Judge of the Supreme Court".

Mr. Deputy-Speaker: Amendment moved:

In pages 14 and 15, for clause 47, substitute:

"47. *Apportionment of assets and liabilities.* The assets and liabilities of the State of Madras as dealt with in the Seventh Schedule, as also current revenues and expenditure, shall be divided between the States affected by this Act by an order of the President of India, on the recommendation of a neutral commission of experts, presided over by a Judge of the Supreme Court".

Shri Baglanramalaiah: I beg to move:

In pages 14 and 15, for clause 47, substitute:

"47. *Apportionment of assets and liabilities:* (1) Subject to other provisions of this part, the assets and liabilities of the State of Madras immediately before the appointed day, shall be apportioned between that State and the States of Andhra and Mysore in accordance with the decision of the Financial Commission appointed under sub-section (2) and shall accordingly be accounted for.

(2) Before the appointed day the President shall appoint a Financial Commission consisting of three members one of whom shall be a Judge of the Supreme Court who shall be the Chairman of the Commission.

(3) Where the valuation of assets is necessary for the purpose of apportionment, the Financial Commission shall determine the same in accordance with their market value on the appointed day.

(4) Without prejudice to the above and pending the apportionment under sub-section (1) the assets and liabilities of the State of Madras immediately before the appointed day be shared between the States of Madras, Andhra and Mysore in accordance with the provisions contained in the Seventh Schedule".

Mr. Deputy-Speaker: Amendment moved:

in pages 14 and 15, for clause 47, substitute:

"47. *Apportionment of assets and liabilities:* (1) Subject to other provision of this part, the assets and liabilities of the State of Madras immediately before the appointed day, shall be apportioned between that State and the

States of Andhra and Mysore in accordance with the decision of the Financial Commission appointed under sub-section (2) and shall accordingly be accounted for.

(2) Before the appointed day the President shall appoint a Financial Commission consisting of three members one of whom shall be a Judge of the Supreme Court who shall be the Chairman of the Commission.

(3) Where the valuation of assets is necessary for the purpose of apportionment, the Financial Commission shall determine the same in accordance with their market value on the appointed day.

(4) Without prejudice to the above and pending the apportionment under sub-section (1) the assets and liabilities of the State of Madras immediately before the appointed day be shared between the States of Madras, Andhra and Mysore in accordance with the provisions contained in the Seventh Schedule."

Shri K. Subrahmanyam (Vizianagaram): I move my amendment No. 71.

Mr. Deputy-Speaker: I think it is the same as No. 27. So this is barred. Anyhow, if one is carried or lost, the other also will be carried or lost.

Shri Nanadas (Ongole—Reserved—Sch. Castes): I beg to move:

In page 14, lines 43 and 44, for "in accordance with the provisions contained in the Seventh Schedule" substitute "in proportion to the population of Madras and Andhra States and the territory transferred to Mysore State".

Mr. Deputy-Speaker: Amendment moved:

In page 14, lines 43 and 44 for "in accordance with the provisions contained in the Seventh Schedule" substitute "in proportion to the population of Madras and Andhra States and the territory transferred to Mysore State".

Shri Raghavachari: I beg to move:

In page 15, line 2, after "decision" insert "based on the recommendations of a Committee presided over by a Judge of the Supreme Court".

Mr. Deputy-Speaker: Amendment moved:

In page 15, line 2, after "decision" insert "based on the recommendations of a Committee presided over by a Judge of the Supreme Court".

These are all the amendments to clause 47.

Shri Venkataraman: The schedule may be taken up separately because if the amendment to clause 47 is carried, then the schedule becomes infructuous.

Mr. Deputy-Speaker: Financial Commission?

Shri Venkataraman: Yes.

Mr. Deputy-Speaker: All right. Let us see.

Dr. Lanka Sundaram: With reference to clause 47 as incorporated in this Bill in its inter-relationship with the 7th Schedule....

Shri Eswara Reddy (Cuddapah): Sir, I want to move my amendment No. 73. I beg to move:

In page 14, lines 43 and 44 for "in accordance with the provisions contained in the Seventh Schedule" substitute "by order of the President on the recommendations of a commission of experts

presided over by a Judge of the Supreme Court to be constituted by the President".

Mr. Deputy-Speaker: Amendment moved:

In page 14, lines 43 and 44 for "in accordance with the provisions contained in the Seventh Schedule" substitute "by order of the President on the recommendations of a commission of experts presided over by a Judge of the Supreme Court to be constituted by the President".

Dr. Lanka Sundaram: The provisions of clause 47 of this Bill taken together with the provisions of the 7th Schedule are of vital importance to the wellbeing of the people of the future Andhra State. I may straightway confess, that we from Andhra feel very much perturbed about the manner in which the problem of assets and liabilities is sought to be disposed of by the Government of India in terms of the clauses incorporated in this Bill before this hon. House.

I have no desire, Mr. Deputy Speaker, to cover the ground I have covered or sought to cover on the 13th of this month when opening the debate with my Motion for reference of this Bill to a Select Committee. But, Sir, with your permission, I would like to make a reference to a very important Financial statement made by my hon. friend, the Finance Minister, on the 17th of this month. I have got before me here the official text, and I seek the indulgence of the House to quote three small paragraphs from that statement which, to my mind, supply the arguments which I will seek to advance with regard to my amendment No. 27. **Sri Deshmukh** said on the 17th as follows:

"Certain financial assets such as outstandings in respect of loans made by the present Government to cultivators, local bodies, etc. will also have a direct relationship to the territory forming the State, and will accrue to the State

[Dr. Lanka Sundaram]

in which the territory is located. Here, Sir, also observations have been made based on some fancied information in regard to the dimension of the assets in the two States. As soon as it discovered that the figures are not what they are, this argument is apt to shift. That just illustrates the danger of trying to infer general principles from incomplete and imperfect data".

Stated as such with the cold, calculated attitude of an accountant, the principle looks unexceptionable, but the gravamen of our difficulties in Andhra Desh is this. When repeatedly attempts were made in the Madras Legislature and also privately—I had occasion to quote the correspondence Shri Viswanathan had with the Government—access to information was denied to us. In this particular statement of the hon. the Finance Minister, I would like to draw attention to the loans granted to land mortgage banks, for example. Our information—at any rate our suspicion—is that there was a greater amount of placement recently in the deep south compared to the rest, and the principle of location as it is sought to be enunciated in this Bill goes exactly against us. I do not wish to enter into technical details, but I will proceed, with your permission, Sir, to another paragraph in the statement of the Finance Minister made on the 17th. He said:

"As I explained earlier, it will be almost an impossible task to calculate how these assets were built up in the past and the most equitable method though, it is perhaps a somewhat rough and ready method, seems to me to divide these assets on the basis of population. These assets belong to the people as a whole in the sense that they were not earmarked for any specific purpose."

This, again is an unexceptionable principle—on paper. But simply because there is no attempt made so far—I

would go a step further, with due respect to the Finance Minister—an attempt to be made was blocked in Madras; this state of affairs has come to happen, and I claim with all sincerity that this is not fair to the Andhra people.

The third quotation, and that will be the last, from the Finance Minister's statement is as follows:

"Even assuming that one could reduce the assets and liabilities on a valuation basis, there is no single method by which one could distribute the nett assets or liabilities between the three States. The partition of the State has to be treated throughout as practical statesmanship and not something to be done on any theoretical, commercial or notional basis".

I claim that there is a gross dereliction of duty on the part of the Government of Madras and of the Government of India in respect of the gathering of information necessary for the division of assets and liabilities between the future Andhra State and the residuary State, and with your permission, Sir, I would develop my point. I hope the House will give me indulgence because we from Andhra Desh, irrespective of party considerations, are completely convinced that justice is not being done and this is the only chance we have to place on record our views.

I tried to show on the 13th of this month in the general debate that an attempt has been made—I am addressing myself to the activities of the Madras Government in the particular instance—to somehow or other present figures which cannot be scrutinised, and which defy scrutiny. Here, Sir, I have before me three statements from the preface to the Budget Estimates of the Madras Government for the year 1953-54 as presented to the Madras Legislature. I am sure the House will bear with me as to the manner in which we from the Andhra

Desh are precluded from getting access to information.

The first quotation which I would like to make from this preface is like this. I am quoting:

"The figures for the Telugu districts have been worked out in consideration with the Heads of Departments who are largely guided by the figures of respective treasuries for the past few years."

I am here freely to say, and declare boldly, that there is no attempt made in this Budget Memorandum to collect figures for a series of years. The figures are only available for two years. In other words, statements are made which are not substantiated by the papers circulated in the Madras Legislature.

The second quotation is this.

"In respect of transactions which cannot be traced to district treasuries and of budgets of a common nature for the whole State, the allocation between the Telugu areas and the non-Telugu areas has been made on the basis of population according to the 1951 census."

Here is an admission that certain transactions could not be traced. It resolves into an admission. This point goes to prove that the allocation which has to be proved is assumed. I do not wish to comment any further on this particular quotation.

Then, I come to the final quotation from the particular document, which is to my mind very revealing indeed, the preface to the same Budget Estimates for 1953-54. The whole of the Bellary district has been excluded from the Telugu area, although while preparing the capital section of the Budget in relation particularly to the Tungabhadra project and the Ceded Districts Hydro-Electric Scheme they have been "taken wholly to the Telugu area".

[PANDIT THAKUR DAS BHARGAVA in the Chair.]

I would like to lay stress on "taken wholly to the Telugu area" in the quotation. I do not wish to belabour the point because statistics can be made to do anything. I am only trying to show the manner in which the accounts are presented to the Legislature clearly demonstrates that there is something seriously wrong as regards the manner in which they want to give the information necessary for the Government of India to incorporate in the clauses of this Bill, particularly with reference to clause 47 and the Seventh Schedule.

Mr. Chairman, you will notice that the Notes on Clauses of this Bill, particularly with reference to clause 44 on page 49 is a very extraordinary admission. I am quoting:

"This clause accordingly seeks to regularise the position by providing that notwithstanding the failure of the Madras Legislative Assembly to vote on the grants and of the Madras Legislature to pass the necessary Appropriation Bill, the vote on account passed by that Assembly etc."

The point I am making is this. There is a dereliction of duty on the part of the Madras Legislature to pass the Appropriation Bill this year. And, as hon. Members are aware, the Appropriation Bill is very vital for any determination of the manner in which these assets and liabilities will go into the account. Of course, I will be told that after all the Auditor-General is there and the accounts are there and so on and so forth. But I am entitled, as a citizen of India, as an elected Member of this House, to have access to information. I claim that I am shut out. When I say, 'I', I include every hon. Member of this House.

Having said this, I would like to make a reference to what information was given to us informally at a meeting convened by my hon. friend, the Home Minister. We are told—I am quoting figures to the best of my

[Dr. Lanka Sivadaram]

recollection and if there is any mistake the hon. Finance Minister may correct me—the following would be the position. The total capital expenditure of Madras will be 117 crores of rupees, on the appointed day. We were told that the Andhra portion would be 35 crores and the Mysore portion would be 14 crores. That is one category of accounts. The second category is sought to be given to us yesterday—of course, subject to slight variations. It is this. The Public Debt of the composite Madras State would be 117 crores. Of this public borrowing would be 87 crores, and the balance of 30 crores would have been financed from revenue.

11 A.M.

Sir, my chief complaint is, how are these figures arrived at? Is not this House entitled to scrutinise these figures. That is why I was pleading on the 13th of this month for a Select Committee. We have absolutely no basis to get to know as to the manner in which these vast appropriations are brought together, in terms of figures. Both in the Madras Legislative Assembly and the other State Legislature to which this Bill was sent in draft form, no opportunity was afforded to members to scrutinise these figures. Sir, I think there may not be one single hon. Member in this House who would deny me the right of access to information. I am asked to give my vote without knowing what exactly the implications of these figures are. In order to show that there is still room for a reasonable misapprehension, I will, with your permission, quote a passage from the Budget Memorandum of the Madras Government for the year 1952-53 at pages 145 and 146, and show that the figures sought to be given to us yesterday do not tally with these figures. I repeat again the page numbers; they are 145 and 146 of the Budget Memorandum for 1952-53. I am unable to get information on this matter in the latest Budget Memorandum. Here the capital liabilities on the 31st March 1953 are shown as Rs. 94.83

lakhs, assets Rs. 138.54 lakhs and the excess of assets over liabilities is Rs. 43.71 lakhs. These are the figures and how do they compare here? There is absolutely nothing to show as to what happened between the 31st March of this year and the figure sought to be given us yesterday. I am entitled as a Member of this hon. House for information. But, I am not given information.

Here is another estimate given in the same Budget Memorandum for 1952-53, at pages 145 and 146. Here is a peculiar position. Productive assets total Rs. 91.90 lakhs; unproductive 35.89 lakhs. Total 127.79 lakhs. The other day the hon. Home Minister said that we are laying down principles, and then see what will happen. That is not a fair way of treating the division of assets and liabilities between the future State of Andhra and the residuary State of Madras.

If I might be permitted to make a statement. According to the manner in which these assets and liabilities are sought to be divided in terms of the provisions of the Bill before us we would only share liabilities because there would be an excess of placement of assets in the residuary state of Madras. Here I would like to refer to the remarks of the Dhar Committee, a Committee appointed by the President of the Constituent Assembly in the name of the Constituent Assembly, which went most exhaustively into this question of Andhra and other provinces. I am quoting from page 86 of the Report of the Dhar Committee. The Dhar Committee recommended that the Government "should estimate the assets at their market price and divide them between the two separating parts on population or revenue basis, and compensate the losing province by payment in cash."

I would like to ask my hon. friend the Finance Minister, what has happened to this recommendation.

Shri C. B. Deshmukh: We have got no cash.

Dr. Lanka Sundaram: Of course, it is easy to say we have got no cash.

I cannot say what happened to these recommendations. If the House permits me, I will go through two other important points in this connection. I am quoting from page 9 of the Report of the Partition Council, a document printed by the Madras Government. The Partition Council went into this question. In paragraph 20 of the Annexure I, they have said:

"But pending the final adjustment of the partition accounts, securities of the aggregate face value of ten crores shall be transferred to the Andhra province for ways and means purposes and the remaining securities shall pass to the Madras province subject to the said adjustment."

Of course, my hon. friend would tell me that there is no cash. I must say it cannot be said that the assets will remain where they are and divide the liabilities. I am entitled to ask that there should be an investigation into the manner in which the assets and liabilities of the composite State of Madras are disposed of, and Andhra is entitled to a fair and equitable division.

Then, I come to the Wanchoo report. At page 38, Mr. Justice Wanchoo says:

"There will be nothing available for ways and means purposes for the new State."

I will quote an earlier passage. At page 35 of his report Mr. Justice Wanchoo says:

"I understand that that picture instead of showing a liquid balance of 1,704.76 lakhs (I repeat 1,704.76) as on the 31st March 1952, would show a deficit which may be anywhere in the neighbourhood of 10 crores."

Several hon. Members said that when I spoke on the 13th of this month on this Bill I should not have used the word "pauperisation". I regret, Sir, I have to repeat the word.

The manner in which the finances of the Madras Government have been managed is not germane to the discussion on the Bill, but it comes into the picture. I would like to make one observation,—I can go on multiplying examples from published documents.—that is all the information I have got, we do not belong to the Government and we have no access to special official versions—that the way in which accounts are sought to be regularised or adjusted—I would even go a set further, I am not given to making unpatriotic expressions—gives an impression that they are manipulated in order to deprive the future Andhra State of its proper mead of assets and liabilities.

I speak with a certain amount of indignation. I have quoted the other day the full correspondence between Mr. Visvanathan and the officers concerned in the Madras Government. About what? The amounts of loans given to land mortgage banks in the South. The answer was—I do not wish to repeat it, it is already on record in the proceedings of the 13th,—that the labour will not be commensurate with the results—it is not worth the trouble. This is the way in which we are treated. Being the last occasion on which I will have an opportunity of speaking on this question, I have said with the greatest amount of sorrow these words, which I want to go on record. I feel very strongly, Mr. Chairman, that clause 47 and the Seventh Schedule are completely loaded against the genuine, legitimate and reasonable interests of the Andhra people. That is why I have given notice of an amendment. And what is this amendment? It is exactly a copy of the resolution passed by the Madras Assembly. Why cannot Government accept it? What does the amendment seek to have? An investigation—an impartial, outside investigation by a Commission to be presided over by a Judge of the Supreme Court. It is not a dilatory motion. It is an investigation on a continuing basis. Let the separation of Andhra take place on the appointed day; let this investigation go on. My hon. friend Mr.

[Dr. Lanka Sundaram]

Raghavachari quoted the example of Orissa, when the investigation of assets and liabilities went on for a number of years. There is no political propaganda involved in this. A set of officers from both States would assist the neutral commission, and the investigation will go on and whoever is entitled to get will get on the recommendations of this Commission.

I consider this is a very reasonable proposition. There is another amendment notice of which has been given by my hon. friends Mr. Nanadas and Mr. Raghavaiah (No. 72 on the consolidated list). This is only a copy of the resolution passed by the Madras Assembly. I am only asking for an impartial approach to this problem. I tell the hon. the Finance Minister. Let there be no occasion for the Andhras to nurse a sense of grievance, a sense of suspicion and a sense of injustice. All this is based on one single point—and I crave the indulgence of the House, to repeat it—that we are shut out from having access to information. We are asked to accept these principles—these so-called principles, which cut each other out, because there are three principles in the Seventh Schedule.

We say on the last opportunity of speaking on the clauses of this Bill and we wish it to go on record, that the Government of India are not holding the scales even as between Andhra and the residuary State of Madras. They have become partisan. I am sorry to say this, but I am bound to say it in all humility. Let them not continue this attitude. It is not good for the country as a whole.

I live in Delhi—I have been here for the past twenty years. I am not actuated by parochial considerations: I see things from a distance, even though I come from Andhra. I am bound to tell the Finance Minister to remove every available cause for suspicion and grievance.

Shri Raghuramalaiah: I am not one of those who regard the Government of

India as partisan, but I must say this that the opinion expressed regarding the strength of feeling in Andhras is true and applies to all sections of the Andhra people. The reason is not because they are prejudiced against the Government of India. The reason is very simple. We do not know the facts and figures. We have a feeling that the Government of India have relied on the facts and figures supplied by the Madras Government. We have reasons to suspect the *bona fides* of the Madras Government. That does not mean that we suspect the Government of India. It is our duty to bring it to the notice of the Government of India that they should have satisfied themselves about this by the appointment of an impartial committee. Here a question of principle is involved. It is not a question of Andhra *versus* the residuary state. Tomorrow so many other States may break up. The question is, in allocating the assets and liabilities are we going to rely on the facts and figures furnished by a particular province, the authorities in a particular province, who, human nature being what it is, are likely to be prejudiced in favour of this or in favour of that.

I will give a few instances, even from the Seventh Schedule, to show that we have not been treated fairly. For instance, take the advances to local bodies. The other day when I raised this question and said that a larger amount has been spent in residuary Madras and a lesser amount has been spent in Andhra. I was told: "No, no; Justice Wanchoo has given figures and that shows roughly 36 per cent." I have calculated the figures given by Justice Wanchoo himself. I would draw the attention of the House to page 55 of the Wanchoo Report. As a matter of fact these figures are only up to 31st March 1952. A year has rolled by since then and we do not know, especially in anticipation of the division, what all has happened. That is one of the apprehensions we have, considering the past history of the case. I have worked out the loans

and advances given to local bodies and it comes to 33 per cent. even according to the figures given by Justice Wanchoo up to 31st of March 1952. In this particular case we are getting 3 per cent. less and thirty three and odd per cents. make cent per cent. We do not know in what other respects we have been treated in this manner.

In regard to stores it has been sought to be explained away. We do not know what is the value of those stores. We have no material. Even today I would request the Government of India to tell us what is the net value of the various stores which are supposed to come under the clause dealing with it. We are absolutely in the dark about it. We do not know whether it is to the tune of lakhs, or whether it is to the tune of crores. This information obviously has been furnished by the Madras Government and it would be rather harsh to ask us to accept that the stores shall be divided according to indents. The indents are made by the powers that be and we do not know for what particular area the stores are intended. After all the money has come from the general revenues of the composite State. When we are dividing so many things on a population basis is it not reasonable that we divide the stores also on the same principle.

It has been said that the net liabilities are to be divided on the basis of the capital investment. The figure of Rs. 117 crores has been given to us as the value of the capital investment. I take it that this figure is based on those capital works for which capital accounts are kept. I do not know how this figure of Rs. 117 crores has been arrived at. Whether it is based on facts and figures or on a rough estimate I do not know. But assuming that this figure is correct, what about the crores and crores that have gone without account being maintained? It may in each case be two lakhs, three lakhs or four lakhs—that does not matter. But the total may be hundreds and thousands of lakhs. It is very easy to say "why do you bother about

five lakhs expenditure?" After all, India is a poor country and particularly for a deficit state like Andhra even a lakh of Rupees counts a lot.

You have only to come down to Andhra and you will see how badly the roads are maintained. Even the Trunk road is monstrous. You must be prepared for your car being punctured in five minutes. The roads have been neglected. We have not got at all the proportion which we expected. I am not grumbling; I am only stating a fact that we have not got our due. The provision regarding the balance of Road Fund says that it should be divided on 36 per cent. basis. Well, that is about the money in the coffers of the Madras Government, remaining after they have used the best portion. They have not given our due share for the improvement of our roads. Whatever remains they want that also to be taken away. That is the kind of treatment that has been meted out to us.

Then, about the revenue expenditure. We do not know how revenue has been spent all these years. I do not want to go into ancient history. After all, the members of the independent committee to be entrusted with the job will be men of high integrity and great experience. They will find out to what year in the past they should go and to what year not. We are not imposing any conditions that they must look into the matter from the very beginning of the universe. They should see how far the principles of equity have been adopted. Some say "why do you not trust the Government why do you want Judges?". Sir, if I may say, with great respect, Government themselves have been appointing judges like Justice Wanchoo and Justice Misra. In appointing them Government will be appointing impartial persons who have no axe to grind and we are only following the example set by the Government of India. All that we want is that the Government of India should satisfy themselves and not proceed on the basis of facts and figures given by the Madras Govern-

[Shri Raghuramaiah]

ment, about the correctness of which we know nothing.

After all, the principle is practically, or to a large extent, conceded by the Government in Clause 51. The only difference is this: while in Clause 51 somebody has got to move in the matter, we say: why not the Government of India themselves move in the matter? In my amendment I have provided that until such impartial Committee is appointed the Government of India may adopt the Seventh Schedule as the ready basis for going ahead so that the administration is not paralysed. What we want is that instead of leaving it to the parties to raise the matter at a subsequent stage the Government of India should do it right now. It is, if I may say so, a unanimous request of the entire Andhra people; it is not induced by any parochial sense; it is not induced by any reflections on the Government of India. We have absolute faith in the Government of India.

I do not want to take much more time of the House. I request the Government of India even now to reconsider their decision.

Shri Raghavachari: I have given an amendment and I wish to impress upon this House and the Government that my amendment does not very much go against the procedure that the Government wishes to adopt in the matter of distribution of these assets and liabilities.

Sub-clause (2) of Clause 47 relates to the powers of the President in the matter of a division. It provides:

"Any dispute relating to, or arising out of, such apportionment shall be referred to the President whose decision shall be final." I have here sought permission to introduce a phrase which I am reading:

Between the words "decision" and "shall be final" insert "based on the recommendations of a Com-

mittee presided over by a Judge of the Supreme Court".

Why I ask for this amendment, I might mention, is this: that under Democratic set up of Government President's decision, is the decision of the Government of India. We certainly know that the President cannot act otherwise than on the recommendation of his own Government. What does this "President's decision is final" mean. Instead of putting these words in an honorific phrase and say it is the President that decides; it is something like *Sankamulo ranidi theartham Kadu*.

Kumari Annie Mascarene: Please give its English translation.

Shri Raghavachari: Out of the conch must come the holy water. We, therefore, feel that it is simply a garb. You simply say "the President whose decision shall be final". I take it that it will be the decision of the Central Government. I am not here stating anything against the impartiality of the Centre in the matter of this decision. I am not attributing any motives either. The real feeling is that if a dispute must be decided by one man and that one man is to be guided by many men, he may consult us or may not consult us. I mean the real considerations that arise in the matter for decision may be taken in one case and may not be taken in the other case. Though, of course, generally I would like to state that they will be considered, but still you must have an Expert Committee to look into the whole matter of disputes who should make a recommendation and the President will finally give his decision. That is the scope of my amendment.

Now, I would like to go into a little history and give the reasons which make us consider this as a matter essential to be incorporated in the Bill. It is proposed by the Central Government that the apportionment of assets and liabilities should be made in the manner indicated in Schedule VII now

before the House. The matter was before the Legislatures of the Madras and Mysore States. The Madras Legislature resolved that this division of assets and liabilities must be on the recommendations of a committee. Now, these recommendations certainly are not binding under the Constitution. You may take them into consideration or may not take them into consideration or you may not throw those recommendations into the wastepaper basket. That is not the way of dealing with public opinion.

Now why is it that the Andhra people have been clamouring that there should be an impartial investigation into this matter? It is very easy for Tamillians or for those who will live in the residuary state to say "What is this mentality? Why this suspicion? What is it that we have done?" These mere questions will not allay the suspicions that exists in our minds and in the country. This mentality is not a thing which is foreign to the understanding minds. Today, sitting under the tree, we have a history of years before us. What is it that we have experienced? What is the result of all the previous experience that we today see in the form of a naked fact? The Andhra State or the area which is to be formed into the Andhra State is under-developed. The other residuary state is developed; left to myself, I would say, very well developed. We find this fact that we are under-developed. We have always been clamouring "Well, you must give some attention to the development of these areas"

This kind of suspicion is also based upon the neglect of the administrator who happen to be at the helm of affairs. The other day my hon. friend Mr. Ramaswamy said "you have your Ministers, six or seven". It is not the number that counts. It is the guiding force, the driving head that counts. Year after year we have seen the budgets, and the consequence is neglect in the improvement of these parts.

I will just quote one or two instances. We in Rayalaseema have been asking for bringing in electricity from the Mysore Government, which they were very willing to sell, so that our rural parts might be developed. For the last seventeen years we have been agitating. The Madras Government was not prepared to negotiate the matter and decide it. They took years and years and finally they decided to have 375 kilowatts of energy. By the time the 375 kilowatts of energy came into Hindupur, the Government says "we have no money to purchase the posts, we have no wires, you had better stop it's extension to rural parts. So the 375 kilowatts of energy is to be found lodged in Hindupur without much purpose. When we asked "you please give to us some preference", there was the Bhattacharya Committee also recommending it and so on. When Mr. Sri Prakasa the present Governor came I did make a representation about this. It is unthinkable that you have no money for these purposes. If you cannot have iron posts, have bamboo posts and do something about it. But nothing is done. And they have made a rule; now, if you want electricity to be brought to your field or house, you deposit Rs. 1,000 or loan to the Government that much sum which would be required for bringing the poles, wires and other materials and then we will give it. That is one instance.

I will give you another instance. Three or four years ago—I do not know the year—a budget sanction was made for installing thermal stations in Kadiri, Penukonda and Madanapalli. They were never installed. That year passed, the next year passed, and the one after that. They were not installed. The engines and other parts of the machinery were installed in the other parts of the residuary Madras.

Similar is the story with regard to irrigation projects.

So everywhere the thing is one of neglect of this portion of the area, of Andhra. And they say: you have

[Shri Raghavachari]

some irrigation facilities. Those were done in those pre-democratic days, years ago, when some one or two of these projects were built. And there they stopped.

So the feeling of neglect and anxiety about future development is a real naked fact before the people. They see that one portion of the country is developed to the utter neglect of the other portion. That portion is developed, over-developed; this portion is under-developed, neglected. Therefore we have this suspicion. And today we ask you: in the matter of this partition please have some justice and equitable principles to guide its decision.

What is it that we are asking? The Finance Minister says: it is not like a family partition. Is it a firm that is going to be dissolved? Is it something entrusted to a receiver to sell the assets at the market value and divide them? The administration must go on, it cannot stop.

Certainly you are going to have a partition. If this is not partition why do you call it division of assets and liabilities? You should have stated: you go to the new State and manage. It is partition and division of assets and liabilities. And you must bring some principles in the matter of division of assets and liabilities. Justice and equity is the matter to be concentrated upon. And you must not only do justice but should also appear to do justice, as people say. Please do appear to do justice. We have been complaining that there has not even been that appearance so far. Appear to be just!

Therefore these matters must be seriously considered and the division must be effected on certain principles. Surely we have certain principles laid in the Schedule. I am not disputing many of those principles that have been laid down. I would ask one thing. We, representatives of the people, have been asked to agree to

these principles guiding the division of assets and liabilities. My hon. friend Dr. Lanka Sundaram has already stated that our representatives in Madras have tried their level best, not once but many times, asking for definite information. What is the material? What are the figures? What is the total amount of loans advanced? What is the Local Board's advances? What is the amount of outstanding taccavi loans? What is the amount of stores? Letter after letter is written for details. And the answer is: the enormity of the labour involved is not commensurate with the results likely to be achieved. I should expect that, a Government which surely must have some records and other data must by a simple process of mathematics be able to say "this is the figure". And is it just today that this question of partition has come up? This question of the constitution of the new State is not new. For over decades we have been agitating for separation of Andhra. As commonsense people, I ask, you, when one section of the country wants to go out of the other part, will not the people in the control of the administration have the idea that some day this brother is going to go away from us? With this mind they have carried on the government for years. And I have given you instances of their disregard and neglect. What is it that you expect? The administration has been carried on to the detriment of this part of the country and to the detriment of the other part. Therefore in the matter of assets and liabilities we ask: let us know your figures. My friend said he fears manipulation. He fears something. But I would say the governmental registers are there, the figures are there, they may be totalled up. They may employ half a dozen more clerks to total them up and give these details. That would have enabled us to take a decision.

Do you not think, Sir, that as representatives of the people we are asked to agree to pass legislation containing certain principles the working of

which or the results or effects of which God alone knows whether they would be in our favour or against us? How do you expect us to agree to them without knowing how they would affect us? If we know them, we may not quarrel about the principles in an academic way. A principle may be all right. But if the principle in its working application creates hardship we will be entitled to say: this principle must have a proviso. You do not want to do anything and therefore you ask us to agree to these principles. I think that as reasonable men we must protest and emphatically state that it will be unwise, unreasonable on our part as representatives of the people, to agree to this and commit ourselves to it.

And once we agree to these principles and the thing goes on, what happens? We can raise a dispute and ask the President to decide it later. The President may well ask us—and I think he cannot but ask—“you, like blind people, have put your signatures to a set of principles which I should apply; when the principles are applied this is the result”. What is it that we can say before him? Naturally we will simply have to hang our heads and say: Quite, Sir, we were not wise. Therefore this question of simply trying to decide it this way will not do.

Not only that. I will mention another point. These principles have been drafted or decided upon or settled in consultation with the Madras State's Finance Department. The Government has had these figures and they have agreed to these principles. We do not know. It is precisely for this reason that section of the Government of Madras a bigger section, the Andhra section is now suspecting. They want to have something to find out the realities of the situation. You say, you simply agree to these principles. Why cannot we be told what the figures are so that our fears may be allayed? In this state of darkness, in this state of vagueness, in this state of not knowing what the consequences are going to be, you cannot ask us to take a leap in

the dark. If we are to decide that something must be done, there must be some reason known in favour of that.

And then, what is the precedent? They have told us that we have the precedents of Orissa and Sind and Pakistan, and this is how they were divided. I also looked into the Sind and Orissa Orders. I should say, naturally they were careful people. I find it said there that so many crores, lakhs of rupees of this debt must be borne by this section and so many crores etc. by the other section of the country. They have got figures and facts. I do not wish to labour the point. They knew the facts. In the matter of public debts also, they have not taken all the debts up to that date. Here you find “up to the appointed day”. The “appointed day” is doomsday for us now. What is it that we have got to take over on that date we do not know. I may tell you that the distribution of stores and assets and things here and there is not being carried on in the normal way. (A *Hon. Member*: Sub-normal way). Whatever it is, that method of local distribution that makes us suspect things. I will give you only a very small instance. Oil Engines in the Agricultural department: there are 2600 or 2700 in the residuary Madras State; about 600 in the Andhra country. Is it 36 per cent? I do not know. As regards other stores, we really do not know what the position is. In the matter of stores also, it is not one principle, that is followed—indents for the last 3 years. This principle was accepted and followed in the matter of Orissa and other places. Here, it is excluding all those that are required for the head offices. All the departments have head offices in the headquarters of Madras. What will be left over after excluding the stores indented for head offices of the Madras State? Nothing will be left over. The thing that would be left over may be some white paper or some pencils and things like that for the outside offices.

[Shri Raghavachari]

In regard to debts also, they have said that the debts will be divided according to the capital invested. I may not be acquainted with the technical term "capital investment" and what it means. But, the capital invested must be shown in some books and registers. That might have been given. We would have known what will be the result of working in this way. Registers of capital investments may have been maintained or may not have been maintained. But, I for one expect that they have been maintained, but for want of due diligence or on account of the feeling that "these Andhras are a handful here; we can get on with this Bill; why should we labour to get all these figures?" So the details have not been given. Otherwise, I cannot understand why these particulars should not be given. I was listening the other day to the Finance Department gentleman telling us, "roughly this would be so many crores" and so on. Another gentleman estimates some other amount. It was said that Rs. 9 crores have been spent from out of the general funds on Tungabhadra project. Another gentleman works out figures and says, "no, no, it will be Rs. 3 crores." Another gentleman says it will be only Rs. 2 crores. We do not know how many crores are going away in the application of these principles. That makes us again feel that we cannot commit ourselves in the absence of facts and figures. If we go on in this way, the ultimate result will be that we would be asked to commit ourselves to a piece of legislation the effect of which we do not know. Therefore, I would request the Government to agree that the whole matter should be examined by a Committee—of course only if a dispute arises; if no dispute arises, it is all right. If a dispute arises, the best thing is to refer the matters of dispute to some committee for examination, their recommendations being the basis for the President to finally decide about the matter. Without that you will be asking us to do something without knowing what its result is going to be.

In the course of the general debate, somebody raised the question whether this matter of dispute relating to a fact or a right between the States is not within the peculiar jurisdiction of the Supreme Court, and referred to article 131 of the Constitution. I also read the article once again. Though I have not thoroughly examined the implications of it, it looks to me probable that the objection is not very formidable. But, even if it should be thought, at any time, necessary to take the matter to a court of law, I for one, knowing the ways of the court, would not welcome such a thing. That would lead us to endless troubles and no justice. I therefore request the Government to have a Judge to preside over the committee to examine these disputes. Often times I have listened to the Home Minister saying: "How could the Judges decide? What do they know about this fact or that fact; they will take some kind of decision and complicate matters and then you will have nothing but trouble", this and that. I for one think, Sir, in spite of such impressions that some Judges might have left on us on some occasions, still, a man who has undergone that discipline of a judicial approach to every fact or dispute, has really a better frame of mind to take a decision or make a recommendation which will certainly be acceptable; I cannot accept a decision by the Judges which would simply be a matter of awkward interference only. Therefore I would request the Government and this House to consider this question seriously. I do not wish to quarrel with the whole scheme as it has been framed by the Government either. But, if a dispute arises,—I am sure there will be some disputed matters—let it be considered calmly by a set of people and then we will be able to come to a final decision which not only appears to do justice, but will do real justice.

The other objection laid against us is this: that we want to delay the matter; we want to keep this Bill hanging and postpone the formation of the

Andhra State. I am not able to understand the force of this argument. We never want that the final division must precede the formation of the Andhra State. The State will go on. All that is required is money for ways and means. Justice Wanchoo has recommended that a few crores of rupees may be given. They can start and go on. The disputes may be finally settled and it is a question of adjustment only. Somebody said, where is the cash? We are not asking them to give us cash. The cash may be converted into the load of debt which we must carry on our heads. Then, the load on our head will be lighter; we can take a few more loans and add to our weight and then try to walk with our heads erect. There is no desire or idea of delaying the process of the formation of the Andhra State. This is meant only to allay the fears and bring about a just decision. Therefore, please do respect, please do give some value to the long course of history which has made the Andhra section of the people suspect that they are not dealt with properly and that they are neglected and therefore they are underdeveloped. There must be an impartial examination of the division of these assets and liabilities. There is a great responsibility on the Centre. The Andhras wanted a State. You have said, omit the city of Madras and also go out of it. A big portion of it—not only a thing big but a thing that must cost crores of rupees to any Government to build—has also been taken away. You take away Bellary which means a loss of Rs. 22 lakhs worth of public buildings given to somebody. Everything useful, everything of utility you give away here and there. The Central Government says: "Here are some places left. You agree to take them. The Centre is not committed to do any help this way or that". Then arguments also come, that these are all the reasons for Andhras to come to the Centre for help. If the Centre does not help, we will have to go to that any other place from where

help comes. Does the Central Government seriously think of the consequences that follow from such steps? Has it considered that nothing is possible? The Central Government should have said: "We are determined to give you so much of money by way of contribution and then you can go on. Instead the centre tell us you first put your signature on this bond and then come tomorrow for help when we will give you some money". This is the extent of our help. Therefore, from all points of view, from every aspect this is a matter which cannot be brushed aside by the majority but must be considered sympathetically and then please decide in a way that justice is done to us.

Shri S. V. Ramaswamy: Mr. Chairman, I want to move my amendment.

Mr. Chairman: I am calling Mr. Subba Rao to speak.

Shri K. S. Rao (Ehuru—Reserved Sch. Castes): * *

(English translation of the Telugu Speech).

I rise to speak on the whole issue of assets and liabilities as well as on the 7th schedule as a whole.

The way the assets and liabilities were divided between the residuary State and the Andhra State show that there is no principle nor policy in doing the same. Let alone the Andhra State, if such methods are adopted, it will lead to misunderstandings on all sides in the event of a general re-distribution of provinces on linguistic basis. I do not see any reason why the principle of population basis adopted in the division of certain categories of assets and liabilities should not be extended to all other items and thus the principle adopted to the question as a whole.

The hon. Finance Minister, Shri Deshmukh, told the House the other day that this division is not like the division in a small compact family. Again, I regret to say I cannot understand why it cannot be so. Supposing

* * Speech in Telugu.

[Shri K. S. Rao]

the eldest brother, after spending the joint property for the benefit of his children, were to ask the younger ones, at the time of partition, to share the liabilities incurred, one would naturally say that he is being thoroughly unjust towards them. How can the present division of assets and liabilities be in any way different from the above?

We are leaving behind in the residuary State huge buildings, various projects, etc. which we have built with joint efforts and joint money. As against all this, we are being offered a pittance of 230.4 lakhs. The liabilities we are to share will be deducted from this amount. Then the new Andhra State is debited with all the expenditure on Tungabhadra Project. I would like to call this division of liabilities only.

Members in this House from Andhra belonging to all parties demand appointment of an experts Committee to go into the whole question so that neither side need complain that injustice is done. The Madras Legislative Assembly too has recommended by a 10-vote majority that the matter should be referred to an Experts Committee.

Then the hon. Minister Shri Katju very lightly remarked:

"You really do not know from where you will ask the commission to begin: whether it will go back to Clive or from 1803 to 1805, goodness knows, I do not know".

This is nothing but casting aspersions on our just demand. In the general debate, Andhra Members have repeatedly made it clear that they wanted the expert committee not to go into such minor details as pin-cushions, pencils, etc. but only confine themselves to the terms of reference to be made. So, let the hon. Minister Shri Katju agree to appoint an Experts' Committee and the terms of reference can be drawn out later.

Then again hon. Shri Katju says:

"Come to the Centre and ask the Finance Minister for help and I am sure the Finance Minister will consider your request sympathetically".

I thank the hon. Minister for this assurance on behalf of the Finance Minister. In fact, the Andhra Government will have many occasions henceforth to approach the Centre for help, for example in case of construction of capital, relief for Godavari flood victims, etc. But, I am sorry to say the hon. Minister has not seen our point. What all was constructed and built in the composite State was done with the joint efforts and joint moneys, as I have already stated earlier. We have a right on all these properties. And today when we are going to have our own State, we are demanding only the rightful share due to us. No question of compromise on the right we have.

I want the hon. Members to note that even when we have got such a right, we are not asking that that right should be straightaway acceded to us. We are asking for an Experts Committee to go into the matter. Thus, we Andhras are showing the utmost generosity and not imperialistic as some Members tried to interpret our demands.

In conclusion I would again urge that an Experts Committee be appointed, presided over by a judge of the Supreme Court and limit its enquiry and work to certain terms of reference to be given.

An Hon. Member: Has a copy of this speech been given to Mr. Chairman?

Mr. Chairman: A copy of this speech has already been supplied to the Chair.

Shri B. S. Murthy (Eluru): If the hon. Members want to translate it, I can translate.

Mr. Chairman: It has already been supplied in English.

Shri Nanadas rose—

Mr. Chairman: After we have heard what Mr. Ramaswamy has to say, he will have occasion to reply to his amendments.

Shri S. V. Ramaswamy: My esteemed friend, Dr. Lanka Sundaram has been frank and forthright from beginning to end. His whole speech has been full of suspicion and along with that suspicion, he has a tale of woe for Andhra. The other hon. Members have been a bit more mild but nevertheless they too have been displaying deep seated suspicion, not merely of the Madras Government but, I am very very sorry to say, of the Central Government as well.

Shri Raghuramaiah: May I correct him, Sir? He said: "All other hon. Members". At least, I did not say so.

Shri S. V. Ramaswamy: I stand corrected, as far as you are concerned but Dr. Lanka Sundaram was very vehement in his charge against the Central Government being partial. This charge needs a very strong refutation. My hon. friend, Mr. Raghavachari, said that taking all factors into consideration, we are justified in asking for a commission. Now, let me take the history right up to 1920 since there was diarchy. Of the past 33 years, for not less than 25 years there have been only Andhra Chief Ministers. I shall give the list.

Shri B. S. Murthy: He is not quite correct, Sir.

Shri S. V. Ramaswamy: I may not be quite correct. There may be minor errors. Does not matter. I am substantially correct. Beginning with the Raja of Panagal, we had Mr. Muniswamy Naidu, then the Raja of Bobbili—it is a long list of the Andhra Premiers. I can exhaust them. If you want an exhaustive list, I can give. The Raja of Panagal, Muniswamy Naidu, Kumaraswami.....

Shri B. S. Murthy: Raja of Bobbili.

Shri S. V. Ramaswamy: So many Rajas, all from Andhra. I am coming to them. Even two so-called Tamil Ministers were from Andhra Desh. Shri O. P. Ramaswami Reddiar is an Andhra in Tamil Nad. Kumaraswami Raja also claims relationship with ancient Vijayanagar kings. He is another Andhra in Tamil Nad. All these Chief Ministers have been from the Andhra area. The only two really hundred per cent. Tamilian Premiers have been Rajaji and Dr. Subbaroyan.

Shri B. S. Murthy: Rajaji is a Telugu man. You cannot claim him.

Shri S. V. Ramaswamy: You have taken Rajaji also to your side?

Shri Chattopadhyaya (Vijayavada): I hope I heard the word "chameleon".

Shri S. V. Ramaswamy: Let my friend take the whole of Rajaji for Andhra, but not divide him.

Dr. Lanka Sundaram: He is a liability, not an asset.

Shri B. S. Murthy: It is a fact; Sir, that Rajaji is a Telugu man. Tamilians do not use surnames as "Chakravarthi". He is a Telugu man, but we have given him to Tamilians to improve them.

Shri S. V. Ramaswamy: Then, why do you suspect him?

Shri B. S. Murthy: Why not suspect him?

Shri S. V. Ramaswamy: Very unreasonable and uncharitable. We are left with only Dr. Subbaroyan. During all this period, not merely the Chief Ministers, but even several Ministers have been from the Andhra area, and they have been in charge of the composite State of Madras for over 23 years out of 33 years. Even now, in a Ministry of 15, there are no less than seven Members from Andhra, and yet.....

Shri B. S. Murthy: No, no.

Shri S. V. Ramaswamy: May be a little less.

Shri C. R. Narasimhan (Krishnagiri): I may interrupt the hon. Member. Mr. Ramachandra Reddi was the Chairman of the Legislative Council for quite a long period.

Shri S. V. Ramaswamy: The whole thing, the politics, the economics, the social and cultural life, everything has been dominated by the Andhras for these 25 years in Madras State, and yet, Sir, baseless accusations are made ... (interruption).

Mr. Chairman: It will be better if the hon. Member is allowed to go on uninterrupted.

Shri S. V. Ramaswamy: I fail to see either reason or rhyme in the argument that the Andhras have been starved either economically or otherwise. It is absolutely unjustified to ask for the appointment of a Commission on the basis of the argument "We do not know the figures, we do not know what has been done. Something has gone under. Papers are being burnt. Figures are manipulated". I think Dr. Lanka Sundaram was very mild in saying that accounts have been manipulated. I do not think so. It is not so. The accounts have been kept all through, ever since the British Government came in 1858—I will not go back to Lord Clive 2 centuries back—and they have been kept regularly in the course of regular business. How can it be said there was any interpolation, alteration, addition or subtraction? The accounts have been audited year after year by the Auditor-General. There is the Finance Department. It is not a private account kept to cheat Sales Tax or Income-tax, or maintained by a private merchant with four different accounts, one for himself, one for Income-tax and Sales Tax and so on. It is a public account. It cannot be fudged. It cannot be altered at the Secretariat without corresponding alteration with the Accountant-General, Reserve Bank, Imperial Bank, several Treasuries and sub-treasuries etc. It is just impossible. The charge is fantastic. I don't know what my hon. friend Dr. Lanka Sundaram meant by

saying "we". Is it a Royal "we". There are Members in the Assembly, about 130 from the Andhra area. They have access to the papers. Many of the Secretaries of Departments are Andhras. They do not belong to Andhra or Madras or Tamil Nad. They belong to the all-India services. They have no particular affiliation to any particular area. Thank God they still maintain the Indian character of the service. And they cannot be a party to any mischief or any tampering with Government records. It is wrong to say so. Not merely you suspect the Ministers, but you suspect the superior Civil Service staff also. It is unfair and improper, and I submit my friend has been talking in the air, has been beating about the bush, he has some vague suspicions somewhere. I do not know what it is. He speaks as though he is possessed. He has an imaginary feeling that there is a ghost somewhere. I challenge my learned friend to place concretely any facts and figures he has been able to get. If my friend has not been able to get any, the figures are there in Fort St. George.

12 Noon

Shri Gopala Rao: Why do you not accept a Commission? What is the objection? You say everything is in your favour. Then what objection have you got?

Shri S. V. Ramaswamy: I will reply to that. We on our side tell you point blank that we are not afraid of a Commission, but.....

Dr. Lanka Sundaram: Then go before it.

Shri S. V. Ramaswamy: But the consequences will be very unpleasant. We have nothing to hide.

Shri B. S. Murthy: He said "we". Sir. Is it a Royal "we", or a Tamilian "we" or his "we"?

Shri S. V. Ramaswamy: For the present, personal "we".

Let me proceed. Now, the accounts are fair and square. There has been nothing dishonest or underhand about the accounts. There has been no burking, no modification, no subtraction or addition. To say that the figures have been manipulated is the unkindest cut of all.

I am putting certain facts before you. For the three years before 1952, out of Rs. 50.92 Crores spent on capital expenditure, Rs. 21.76 have been spent in the Andhra area. And in 1952-53, out of Rs. 20 Crores spent on capital expenditure, Rs. 8 Crores go to Andhra. Is it in the proportion of 36 and 64? No, it is very much more than that. Then, take for instance, the capital expenditure on hydro-electric and thermal works. Now, Madras has got only Rs. 11.17 Crores. As against that, Andhra has got Rs. 7.7 Crores. Is that in the proportion of 36 to 64? Much more than that. I can go on multiplying facts and figures.

Let me point out one more fact. It is an undisputed fact that out of the 12 districts in Andhra, more than two-thirds are under the *Zamindari* system. You know under the *Zamindari* system what the State is entitled to is only *peishkash*, the rest goes to the *Zamindars*. Before the Sales Tax was introduced in Madras State, the very foundation, the mainstay of the resources of the Madras State has been land revenue. And if that is so, where does the land revenue come from? It came from the *Ryatwari* area which is the residuary State of Madras. It is out of the revenues of the residuary portion of Madras State that the entire State has been running, not out of.....

Dr. Rama Rao (Kakinada): What about the four delta districts in Andhra?

Shri S. V. Ramaswamy: We know that, Sir. I will answer it. The fact is undisputed that two-thirds of the portion of Andhra was under *Zamindari* and all that we got was the *Peishkash*, the rest went to the *Zamindars*. and the administration was run by revenue from the Residuary area.

Then, in regard to Sales Tax, I may tell you that the amount of Sales Tax realized in the Andhra area is nothing when compared to the amount of Sales Tax realised in the residuary State of Madras. If you take the figures for instance, of 1945-46, you will see that there was a surplus in that particular year. In all the other years there was a deficit. Only in that year, there was a surplus of Rs. 3 crores from the Andhra area. But in the very same year, there was a surplus of Rs. 12 crores from the Madras area. The surplus from the Andhra area was just one-fourth of the surplus from the Madras area. Full collection of sales tax was made, and the collection from Madras was so overwhelmingly great that I do not know how it lies in the mouth of my hon. friends from Andhra to say that it were they who paid, something has gone underground, and that they have been cheated, and so on.

Shri Raghuramaiah: May I know whether in calculating sales tax, you are not including sales tax from the city to the tune of about Rs. 6 crores, and whether you are taking into account the fact that we have also been contributing a large portion to the revenue from the Madras city?

Shri S. V. Ramaswamy: The city of Madras belongs to us. It belongs to Tamil Nad.

Dr. Lanka Sundaram: I am not given to frivolous interruptions. May I interrupt my hon. friend for a minute? Will he answer paragraph 84 of the Wanchoo report, which reads:

".....the total units of electricity generated in the whole State is 672 millions out of which 42 million units are in the new State, the remainder being in the residuary State. There is, therefore, a deficiency of 242 million units in the new State and it is claimed that Rs. 25 crores should be provided by the residuary State to the new State to make up for the deficit. It is admitted, however, that the money already spent over the Mach-

[Dr. Lanka Sundaram]

kund and Tungabhadra Hydro-Electric Schemes might be deducted from this amount."

Shri Venkataraman: I will do it.

Shri S. V. Ramaswamy: I will give you a ready answer.

The Pykara project in Madras area gives only 46,000 KW, the Mettur project gives 40,000 KW. As against this, the Andhra area will get out of the Machkund project alone, about 102,000 KW and from the Tungabhadra Project, about 30,000 KW. Besides, there is a large number of thermal stations in Andhra. The capacity of the Vizag station has been stepped up to 6,000 KW, the Vijayavada station has been stepped up to 12,000 KW, Kakinada has been stepped up to 1,000 KW, and Nellore to 5,000 KW. For the Rayalaseema area, from Mysore, you will be getting about 4,000 KW. Is this unfair? It is not unfair. You are going to outbeat us, because you are going to have the Machkund and the Tungabhadra projects. Even though you may say that we have grown fat on your money, it is not true. We have grown fat on our own money. But I say you are going to outbeat us.

Dr. Lanka Sundaram: Prove it and take it from us. Nothing can be fairer.

Shri S. V. Ramaswamy: What is really going to be the case is that both of us will be bankrupt, and there is hardly any cash even now.

The other point that I would like to urge is that it is an undisputed fact that the four districts of Cuddapah, Kurnool, Chittoor and Anantapur in Rayalaseema have been chronically deficient, not merely in food, but in everything. I do not know how long it has been like that, but at any rate, it has been so since God created this earth. Rayalaseema has been dry for a long long time. It has been everybody's headache. It has been a burden upon every state.

Shri B. S. Murthy: I think he had a lot of headache.

Shri S. V. Ramaswamy: All the surplus revenues of the Madras State have largely been spent on the Rayalaseema area.

Shri Raghavaiah: The Madras Government figures show that much has been spent on the deficit areas in Tamil Nad and not in Rayalaseema.

Shri S. V. Ramaswamy: The Madras area has always been quite happy. It is only these four districts of Rayalaseema, which have been chronically deficient till now, being a burden upon the resources of every State. Crores and crores of rupees have been spent on the Rayalaseema area every year (*Interruptions*).

Mr. Chairman: Order, order. I will request hon. Members to keep silent. They will have an opportunity to reply. The best thing before is to hear the hon. Member uninterruptedly.

Shri S. V. Ramaswamy: Crores of rupees have been spent ever since 1858 on this chronically deficient area. If my hon. friend Mr. Raghavachari wants a commission to be appointed, I want that that commission should go back to 1858, and take an account of all the amounts that have been spent on Rayalaseema. If from the accounts, it is found that the Andhras have to pay back something to us, then I do not know, how we are going to recover from them. We can never recover from them. Therefore, I would very humbly advise my learned friend Mr. Raghavachari not to press for the appointment of a commission, for it will be to his detriment.

Dr. Rama Rao: If you have it, it will be to your advantage.

Shri S. V. Ramaswamy: The other ground on which they have urged the appointment of a commission is suspicion. My submission is that it is a wholly untenable ground. On the basis of suspicion of the Madras Government, we are not going to concede the point. If we do, it will mean in effect that you have no faith

in the Government of the composite State of Madras, and indirectly you say that the accounts were not proper. We are not going to accept the appointment of a commission on that basis. Nor can it be accepted on the basis of the charge levelled by my esteemed friend Dr. Lanka Sundaram that the Central Government have been partial.

I now pass on to the next point. If ever a commission is to be appointed, it may be on a question of principle, namely that the principles adumbrated in Schedule Seven are not acceptable. Is that the case? It is not their case. They dare not say that the principles are wrong. Take, for instance, some of the principles enunciated in the Seventh Schedule.

Shri B. S. Murthy: The Seventh Schedule has got too many principles, and we do not know which you accept.

Shri S. V. Ramaswamy: My hon. friend Mr. Murthy knows... (*Interruptions*).

Mr. Chairman: Order. order. I would request the hon. Member not to give way, if he does not want any interruptions. If he gives way, and allows interruptions, I am also helpless in the matter.

Shri S. V. Ramaswamy: My hon. friend Mr. Murthy said that there are too many principles. He comes from Andhra, and knows Telugu. There is a Telegu proverb:

"Ellichetti lekka eke lekka"

which means that one by name Ellichetti had a method of accounting, and it appears that all went wrong. We are not going to adopt that principle here. We have got to adopt several principles.

Clause 1 of the Seventh Schedule deals with land and immovable properties. You cannot apply the population basis to these. Are you going to divide them on the basis of population, and remove all the buildings to Andhra? It is not possible. The

elementary principle of *in situ* has to be adopted. It is an application of the principle of *Lex Loci*. It has been there from the Roman times, and not suddenly sprung up, as soon as you moved for the separation of Andhra from Madras. Whatever is *in situ* will continue to exist where it is. You cannot pull it out and transfer it. It is not paddy to be transplanted by the Japanese method. It must be treated as fixture. It is this principle of *in situ* that has been adopted by Mr. Justice Wanchoo.

I would refer my hon. friend Mr. Murthy to paragraph 81 on page 30 of the Wanchoo report, which says that whatever is *in situ* will continue to be where it is. So far as land and immovable property is concerned, this principle has got to be accepted. It is a universally accepted principle. If you deviate from it, you are on the wrong side.

The second principle is that in para 2, about which there is no quarrel. Of the 19 paragraphs in the Seventh Schedule, clauses 1 to 10 deal with assets, 11, 18 and 19 with assets and liabilities, while the remaining paragraphs 12 to 17 deal with liabilities only.

With regard to the assets, the main principle on which the Seventh Schedule has been framed is the population basis. Clauses 2, 4, 6, 7, 8 and 9 deal with population basis. What greater democratic principle can you have than the population basis? If you study the trends in modern methods of taxation, you will see that because we are living in the democratic age, we are adopting the same democratic principle of counting the heads. If that be so on the political side, we take up the same principle on the economic side also, and do the division on a population basis.

Shri S. V. Ramaswamy: How can you quarrel with that?

Shri Raghuramiah: I do not want to interrupt my hon. friend. But his statement is wrong. Paragraph 9 of the 7th Schedule does not proceed on a population basis.

Shri S. V. Ramaswamy: I said 2, 4, 6, 7, 8 and 9. Three is different. That deals with unissued stores?

Shri Raghuramalah: Please read this.

Shri S. V. Ramaswamy: Please read it first well.

Mr. Chairman: I would request hon. Members not to interrupt the speaker who is in possession of the House. Such frequent interruptions are not proper.

Shri Raghuramalah: When he has made a wrong statement, I should bring it to the notice of the House.

Mr. Chairman: We cannot allow arguments like this in this House.

Shri Bhagwat Jha (Purnea cum Santal Parganas): He is behaving like an Andhra.

Shri S. V. Ramaswamy: The proviso to sub-para (3) of para 6 reads like this:

"Provided that any sum recovered in respect of any such loan or advance shall be divided between the States of Madras, Andhra and Mysore in the proportion of 62-2/3: 36: 1-1/3".

What else is it? Now, therefore, the other principles in respect of para. 3 and 10 also are on sound lines.

I shall now come to paragraphs 7 and 8. Now there has been a deviation from the accepted principles which have been envisaged by the Finance Commission with regard to the division of income tax and excise. The Finance Commission has recommended that income-tax shall be allocated on the basis of 80 per cent population and 20 per cent. on accrual basis. I want to show what is the consequence of the Centre deviating from this and dividing the income-tax and excise on the basis only of population. There is a nett loss of 30 lakhs of rupees per annum. The next Finance Commission is to meet

and report three years hence. What does it come to in the next three years? It comes to 90 lakhs of rupees loss to the residuary State.

Shri B. S. Murthy: What about tobacco tax.

Shri S. V. Ramaswamy: It is consumption not production that is the basis. (*Interruptions*).

Now, take, for instance, the Road Fund. In the Central Road Fund we have got Rs. 1 crore and 52 lakhs. We have got an enormous number of vehicles in the residuary State of Madras and if it is to be based on consumption of petrol, we will get about Rs. 1,25 lakhs. We are losing on that account also. We are not contesting that. On the other hand our charge is against the Central Government, that they have been very partial in giving more money to the Andhra State at the expense of Madras. (*interruptions*).

Then I come to the question of Madras City. I fail to understand on what basis the decision to settle 2.34 crores on the residuary State has been arrived at. As has been pointed out by my friend the other day, Mr. Wanchoo has taken some figure and multiplied it by 2. Thank goodness he did not multiply it by 3. I am asking you in all humility, has there been a precedent—any case of a previous partition—where the parting State got any money as compensation for its Capital?

Dr. Jaisoorya (Medak): What about Orissa?

Shri S. V. Ramaswamy: It was not given. Bihar did not give it. Bombay did not give to Sind. I submit even in the partition between India and Pakistan, was the value of Delhi taken and was any credit given to Pakistan on that account? Not at all. Why should the residuary State be burdened with a liability for the cost of the buildings etc? If Mr. Raghavachari wants to reopen the whole question, let him go back to the origin. Madras

City started 2½ centuries ago. It was, I think, Lord Clive who built it after the Siege of Arcot. Several buildings, and the Rajaji Hall which was formerly the Banqueting Hall, have also gone into valuation. They were built 250 years ago. We should not go only up to 1858. If we want to go back, let us go back to the origin of it; do not stop at an arbitrary period which you may choose as the basis for your purposes.

An Hon. Member: You select.

Shri S. S. More (Sholapur): On a point of order, Sir. He is not addressing the Chair. He is wrangling with the Opposition.

Shri Sarangadhar Das (Dhenkanal—West Cuttack): Sir, he is all the time pointing his finger to this side and it looks like a revolver, and I am directly in front of him.

Shri S. V. Ramaswamy: Therefore I oppose this motion for the appointment of a Commission. There is no principle involved in this appointment. Not merely that. It is a bad precedent. The principles enunciated in the 7th Schedule are based upon what the Finance Commission and other Commissions have laid down already. Nothing new can be discovered by any fresh Commission being appointed. No other principle can be discovered or applied. Therefore, no useful purpose will be served by the appointment of a fresh Commission. What will result is this. Claims and counter-claims, case and counter-case, gathering of evidence, charges of fudging and manipulation of accounts here and there, burking documents etc. with the result that there will be nothing but bitterness and the atmosphere, which is now happy, will be fouled by suspicion and rancorous talk. I do not think that it is a desirable thing, because we in India must feel we are Indians first and Indians last, and not think in terms of Andhra or Mysore or Bellary or this and that. I hope my friends on the opposite side will kindly take

a broader view of things and withdraw their amendments.

Shri Nanadas: I do not want to criticise my hon. friend, Mr. S. V. Ramaswamy. I do not want to say that the Tamil brothers behaved dishonestly towards Andhras in the past. But we are here to evolve certain principles on which we do justice to both the parties concerned, and we have to think over those principles only. That is why I have moved my amendment No. 72 which lays down a just principle based on equity.

Of all the clauses in the Bill, clause 47 is the most important because it deals with the division of assets and liabilities. The Madras State has been a composite State for the last several decades and it has been a State for Andhras, Tamilians, Kanarese, Malayalees and all others concerned. Today we are going to divide the assets and liabilities of the composite State among the parties concerned. In dividing these assets and liabilities, we have to lay down certain sound principles, principles which can be utilised for future occasions also. But the method provided in the Bill, that is, in clause 47, is very vague, arbitrary, unjust and based on certain abstract principles. The whole House is kept in the dark regarding the assets and liabilities. We are not supplied with any data. We do not know what are the assets and what are the liabilities and we do not know which State has to pay so much debt and which State has not to pay. In the absence of such information, it is just and fair to take into consideration all the existing assets and liabilities and divide them on the basis of population. It is the only democratic principle which can do justice to all concerned. This is not a new principle I am suggesting. This principle has been accepted and applied in the Bill itself. It has been accepted with regard to public loans raised, printing machinery in the Government Press, Madras, loans and advances made by the Madras Government, shares of taxes like income tax and union excise duties. Central

[Shri Nanadas]

Road Fund, some industrial and commercial undertakings like the Travancore Fertilizers and Chemicals Ltd., Madras Road and Electricals Ltd., Madras Industrial Corporation etc. The most important item is the debt outstanding, a debt of several crores of rupees. The division of that debt is the most burning problem in the division of assets and liabilities. In the 7th Schedule, sub-para (2) of para 12 lays down:

"...the remaining public debt of the State of Madras, that is to say, the debt attributable to loans taken from the Central Government, the Reserve Bank of India or any other Bank before the appointed day shall be apportioned between the States of Madras, Andhra and Mysore in proportion to the total expenditure on all capital works and other capital outlays incurred in the territories of the States of Madras and Andhra and the transferred territory up to the commencement of the appointed day including the items dealt with in paragraph 9 of this Schedule."

About this sub-clause (2) I have got my own doubts because it is nowhere stated what are the outstanding capital works and what is the value of those capital works and capital outlays. We do not know at what rate the value of these capital works and capital outlays have been calculated. If we look into the report of Justice Wanchoo—and he worked it out basing on certain principles—at page 33, he says:

The total capital outlay for the whole composite province is 11, 113.36 lakhs; for the Andhra area 4,185.67 lakhs; for the residuary State 6,927.69 lakhs.

We do not know whether this huge debt of 100 crores will be divided in proportion of these capital outlays. We are also not told at what rates in future the values of these capital

outlays and capital works would be calculated. We do not know from what date the construction of the capital outlays would be taken into consideration. We also do not know for what capital works the accounts have been kept. So, in the absence of these facts and figures, we cannot support the principle laid down in the Bill itself. We have got a lurking doubt whether this principle would work against the interests of the new Andhra State or whether it would work against the interests of the residuary State. In the absence of clear-cut understanding it is better to divide the assets and liabilities on a just principle, the principle of population.

Take for example, a big joint family which has got certain properties and a large number of members. Now that family wants to divide into two divisions. It is but equitable that we should take into consideration all the property and the heads of the family and divide on that basis. Only if we apply that principle can we do maximum justice to the parties concerned. I therefore suggest that the principle of population should be applied in the division of assets and liabilities, and in valuing the cost of these capital works and other properties, such as unused stores and other things. Some hon. Members wanted that a neutral Commission of Experts should be appointed and they alone can come to a just conclusion as to which State should get what. I suggest that this should be referred to an Expert Committee to have their just conclusions and to do maximum justice to all.

In this connection I want to refer to the fact that in the Madras Assembly, all the parties concerned, that is the whole Assembly, passed a resolution by a majority. This resolution was moved by Shri T. Nagi Reddy and it was carried. The resolution runs like this:

"This House is of the opinion that all assets and liabilities, un-

used stores, articles, goods and various funds including Depreciation Reserve Funds be divided between Madras, Andhra and Mysore States in proportion to the population of Madras and Andhra States and the territory transferred to Mysore State."

All the parties concerned have given their clear-cut verdict by passing a resolution in the Madras Assembly. So, I urge upon the Government to adopt this principle for the division of assets and liabilities and to arrive at just conclusions. The same Assembly has passed another resolution moved by Shri T. Viswanathan. That resolution reads:

"This House recommends the deletion of clause 46" now clause 47 "and the insertion of a new clause in its place providing for the apportionment of the assets and liabilities dealt with in the Seventh Schedule as also of the current revenues and expenditure between the State affected by this Act by an Order of the President on the recommendation of a neutral Commission of Experts presided over by a Judge of the Supreme Court."

These are the principles agreed to by the parties concerned. So, I appeal to this Government that while dividing the assets and liabilities if these two principles are adopted we can do maximum justice to all the parties concerned. Therefore I request that my amendment No. 72 may be accepted by the House.

Shri Venkataraman: Yesterday my friend Mr. Murthy sang a song.

An Hon. Member: You sing now.

An Hon. Member: You may now dance.

Shri Venkataraman: Sir, I am tempted to weep. Allegations and charges are being made as if the composite State of Madras was named completely by the Tamilians or by others who belong to the residuary

State. This, as has been pointed out by my friend Mr. Ramaswamy, is unfounded. As a lawyer you know that in a partition suit, it is easy to pick out certain items and say that that item has been wrongly divided. To pick out such instances is easy. In effecting partitions, and certainly in respect of properties, certain property would be given to some party which may be more in value in comparison with the other portion of the same property which may be given to the other party and which may be compensated by some other item of property. So, I am not going to repeat the same mistake which I am charging others with and go on picking out items in which the composite State of Madras has spent more money on the items located in the Andhra area. All that I am now at pains to show is this.

The Commission which the hon. Members wanted must have some guide to go by. If we have a Supreme Court, it interprets the laws which are enacted by the Parliament. The Supreme Court Judge does not enact laws. The Supreme Court Judge interprets the Contract Act or the Transfer of Property Act and then says that between party and party the law has been applied or has not been applied. In this case if you appoint a Commission, they have no law by which to go. What is the law which they will apply or interpret in dividing the assets and liabilities between State and State?

An Hon. Member: Maximum justice.

Shri Venkataraman: If we are to lay down certain principles, the law which should be interpreted and applied by the Supreme Court, we are exactly doing that in the Seventh Schedule. It is as if we are enacting a law with regard to the division of assets and liabilities and we are asking the President to apply that and distribute according to those principles. If any dispute arises, under Clause 47(2) the decision of the President shall be final. If as my hon. friend says the

[Shri Venkataraman]

Commission should not be bound by any law, but should apply what it considers to be natural justice, I am afraid it will again give rise to interminable quarrels. Wherever anything goes wrong against the residuary State or against the Andhra State we will say that the equitable principles are not properly applied, or the equitable principles themselves are not equitable.

You know, Sir, the famous saying in Chancery that equity varies with the foot of the Chancellor. Where is the question of dividing the assets and liabilities on the basis of a law which does not exist, on certain principles about which there is no standard. The very idea of some Supreme Court Judge being able to do a partition between a State and State is itself based on a vague misconception. We are all familiar, as I said before, of the judge applying the law. But we forget the condition precedent, namely the existence of law and we think as if the judge applies something without reference to a particular statute. Therefore the whole conception is wrong.

My submission is this. In respect of partition of assets and liabilities between States—this is the first decision that the Government of India is launching upon—we have to lay down sound principles. It is very unfortunate that I have to speak on this occasion. It would have been better if members unconnected with Andhra or with Madras had spoken in respect of this particular aspect of the case. Redistribution of States on a linguistic basis is going to take place in future and if it is going to take place what are the principles that will have to be laid. Any principle now enunciated will become a precedent—good or bad, I cannot say. Now, I ask you, what is the principle? Should, in every case of redistribution of a State, the whole history of the assets and liabilities running over centuries be taken up and examined? In that case God forbid we should have any redistribution of States.

Then take my own unfortunate residuary State of Madras.

Shri B. S. Murthy: Why unfortunate: you are fortunate.

Shri Venkataraman: You will shortly get the answer.

I have to face a partition with Kerala. The residuary State of Madras has to face another partition with the Karnatak area. South Kanara will go and on each occasion we will have to go through a whole serious of examination of the assets and liabilities—God knows from what date—and go on distributing. Is it fair, is it right, is it just? Let the people of India decide. Are we going to take certain things as on the date existing and then divide, or are we going to launch upon an enquiry without any precedent, without any principles and with ideas so diametrically opposite among the people who want the division? The conception is alien to the distribution of assets and liabilities in a State, that is my submission. I want hon. Members to look at it from that point of view and see whether the claim for a Commission is justified in the circumstances.

Then I have to reply to my hon. friend Dr. Lanka Sundaram. I shall not take much of the time of the House. Dr. Lanka Sundaram has been quoting certain words torn out of context. This is not the first time he does it. He quoted the Finance Minister a number of times out of context. I would appeal to Dr. Lanka Sundaram to refer to page 31 of Wanchoo report. The judge, as is usual in a Judgement, sets out the argument of the party and then he gives the decision. It has been my misfortune as a young lawyer to battle against seniors like you, because I was always engaged by the labour and the managements employed the senior counsels in my State. On one or two occasions the senior lawyer used to quote the arguments contained in a judgement and flash

the book, and I would be flabbergasted, because always there is a certain amount of modesty in a younger lawyer or junior lawyer.

Dr. Katju: My experience has been the reverse.

Shri Venkataraman: This is another instance of what my experience had been. In paragraph 84 of his report Mr. Justice Wanchoo says:

“Similarly, for electrical schemes, the argument is this: The main Electricity Schemes since 1920 have been constructed in the residuary State.”

My hon. friend Dr. Lanka Sundaram did not read the first sentence, but read the second sentence which is not a fact or even a finding of the judge. It is merely an argument. Then the first sentence in paragraph 85 is this:

‘I am of opinion that this method of arriving at adjustments is entirely fallacious.’

This sentence, Dr. Lanka Sundaram coolly omitted. I request the House to pass a judgement on my friend's arguments.

Dr. Lanka Sundaram: What are my friend's arguments.

Shri Venkataraman: One point which my hon. friends have been harping upon is that they have no facts. The facts in respect of a State are quite different from the facts in respect of private individuals. There is the Budget, which gives three years' accounts—the year that is concluded, the revised estimates for the year, and then the budget for the next year. There is also a separate head dealing with the capital expenditure. This account is audited by the Auditor-General of India and then they are published. Then, we have got the Public Accounts Committees to supervise and examine them. Now, is it suggested that the figures given in those budgets are false and manipulated? If that is so, those

responsible would have found themselves behind prison bars. The Auditor General would have detected them and sent them to jail long long ago.

If the figures have been audited by the Auditor-General of India and they are available to the Members, what more. I want to know, do they like to have, and what is the information that has been withheld from them. It is up to the Members to scrutinise the budget, to scrutinise all the capital expenditure figures and then, if necessary, employ very eminent statisticians and economists to total up and say this is the asset and this is the liability. My point is this. The charge that somebody is concealing the accounts in relation to published documents, in relation to affairs connected with the administration of a State, is hardly fair, is almost childish.

Now, the only other point I want to deal with is this. They ask: “If you are not afraid of the Commission, why do you oppose it?” Here I am happy the Chairman is a lawyer. My case is this. I say that the plaint discloses no cause of action and therefore it should be rejected *in limine*. If you take the figures for the whole of the Andhra area, the Dhar Committee said on an analysis of the figures for 1945-46, 1946-47 and 1947-48 that the deficit is Rs. 6 crores. The Wanchoo report says that the deficit is Rs. 5 crores. On account of natural causes the state of Andhra, the area as constituted, has been a deficit one. Where is the question of their moneys having gone to the other area *i.e.*, the residuary area? How can they make any claim to the assets in the residuary area?

There is an amendment moved by Mr. Nanadas which is more honest at any rate. He said, “Even though we have contributed only 5 per cent. of the revenues, you must divide the existing assets on the population basis of 36 per cent”. I only say that it is wholly unacceptable and will be a

[Shri Venkataraman]

very wrong precedent for any future redistribution of States. This would mean that irrespective of whoever contributes to the revenues, the other side must be benefited because its population there is larger. I must say if it is a question of apportionment of the assets and liabilities, it must go on the basis of contribution towards revenue and the expenditure on that portion of the State.

Shri Punnoose (Alleppey): Why not on population basis?

Shri Venkataraman: The income has not been contributed on a population basis. That is my answer.

Shri Punnoose: Does he know that liabilities are also proposed to be divided on population basis?

Shri Venkataraman: It is not so in respect of these projects. If project X has cost us so much and Rs. Y has been raised as loan therefor, then the loan Rs. Y is charged to that project. Similarly whatever projects have been started in the residuary state of Madras and whatever the loan thereon, is charged to that State; it is not distributed on a population basis. What are distributed on a population basis are the shares like the investment in the Travancore Fertilisers and Chemicals Ltd. or unascertained amounts.

I do not want to take much time of the House. I only submit that if we really want to come together and see that we bury the hatchet here and now, it would be very good for this House to reject this amendment moved by the hon. Member.

[MR. DEPUTY-SPEAKER *in the Chair.*]

Shri C. D. Deshmukh: Sir, I should like to intervene at this stage in order to reinforce the very valuable contribution to the debate which has been made by the speaker who just preceded me. Apart from that, I feel somewhat discouraged at the profitless range of the debate that has taken place in spite of what I fondly hoped would be a useful con-

tribution from me in regard to the principles to be adopted in apportioning assets and liabilities. I particularly deprecate the word "partisan" which was used by the hon. Member opposite and I do hope he will remember it when, as I am sure, sometime or the other he will associate himself with the request to the Central Government to consider sympathetically the needs of the Andhra State.

Dr. Lanka Sundaram: You are issuing a threat.

Shri C. D. Deshmukh: I do not think with the same voice, one curses and one cajoles.

Also I think many Members who have spoken in favour of these amendments, which I oppose, are really ill-advised in doing so because all their argumentation is based on some fancied picture of how the cat is going to jump in regard to the assets and liabilities. So far as we are concerned the scheme has been drawn up with reference to the assets and liabilities—that is to say, without reference to the pattern presented by any figures that may have become available and in particular I wish to state that the draft of these provisions was drawn up without any reference to the Madras Government. We drew it up, advisedly, without reference to the facts and figures because we thought that principles can be deduced on *a priori* grounds and also with reference to our experience in the past in such matters, to two of which I made a reference in my previous speech.

Now, the scheme of these few sections is very simple. We give in such detail as we can the exact mode of the apportionment of assets and liabilities of various kinds in the schedule. Then we provide that if there is any dispute, that might be referred to the President whose decision shall be final. This dispute could, in view of the provisions of clause 51 be only with reference to the facts of the case. That is to say, a dispute might arise as to

what the accounts are or how they are to be interpreted. Ordinarily one would expect that no dispute would arise in regard to the facts for the reasons mentioned by Shri Venkataraman namely that all these facts are public facts recorded in the Accounts, and in case there is a doubt it will always be possible for us to consult the Comptroller and Auditor-General who is our standing expert authority in this matter. This is not a matter which can be handled by a Judge whatever respect—and that is very high—that one might feel for judicial authorities in the country. Even if a Judge were to be appointed he would have to refer to the records and, if there is any difficulty in interpreting the records, then he would have to take the advice of the Comptroller and Auditor-General. That is as regards the facts of the case.

Then we come to the remedies. In case it is felt after distribution has been made in accordance with the Seventh Schedule that, on account of circumstances which we cannot foresee, some injustice has been done, then clause 51 provides that the President might vary the distribution of the rights and liabilities in accordance with principles of justice. Therefore that provides the remedy, which is available to any of the three States concerned. We shall in due course discuss the details of this particular clause. But I do think that it provides a complete remedy, in whatever form we might adopt it, for correcting any unforeseen injustice.

Then we come to the question of the principles that should be adopted. In the nature of things these principles have to be determined by Parliament. They could not be relegated to any authority. Parliament would not relegate them to executive authority. Parliament would not leave them to be decided by a Judge or a Finance Commission. When we consider the Seventh Schedule we shall be called upon to consider in detail whether these principles are right or wrong.

Reference has been made to *obiter dicta* or recommendations made by

previous Commissions like the Dhar Commission, the Partition Committee and so on. They gave their opinions in the light of circumstances which existed then. For instance at that time there might have been some assets to divide; there might have been some cash securities and other things to divide. Therefore with reference to these circumstances they made a particular recommendation. Conditions have altered very much, and to the prejudice of both parts of the present Madras State, today. Therefore we have had to consider this problem afresh. Having given all the unbiased and dispassionate thought to it that we were capable of, we came to the conclusion that the principles that we have evolved and which are incorporated in the Seventh Schedule are just principles. I do not think any useful purpose is to be served by encouraging an inquest into the past. The difficulties of such a procedure have been referred to by the Members. Somebody made a reference to 1858 or 1857 and there were challenging cries from the Opposition that even then there would be no objection. I am not quite sure. Suppose, for instance, the picture of the distribution of assets and liabilities were such that some lump sum payment was due from one part of the State to another,—that would be the only consequence of any alternative method that we might follow—there are no means with which the other part of the State could pay. Therefore, I have a lurking suspicion that the part which is or would be entitled to the payment would then look to the Centre for payment to the other part to enable it to make the payment due under the Finance Commission's award.

Dr. Rama Rao: Therefore you want to avoid it?

Shri C. D. Deshmukh: I am glad to see that the hon. Member wishes to avoid it.

Dr. Rama Rao: I say, the Centre wants to avoid it.

Shri C. D. Deshmukh: In the interests of the community at large which I represent, I certainly do want to avoid it. I do not see why the rest of India should pay for the quarrels between two parts of a State. If there is any need for repentance, it should be on the part of the two States themselves. There is a Telugu saying:

*"Tagavulu manakunu kaligina
Vagapulu vachunu anu niti ganare"*

That is to say, if you start to quarrel, you must.....

Mr. Deputy-Speaker: The Andhra State seems to have plenty of words.

Some Hon. Members: What is the meaning of that?

Shri C. D. Deshmukh: That means, if you start to quarrel, then you must be prepared for the consequence of sighing in repentance. Any way, that would be the consequence of any such conceivable award that could be made by the Finance Commission and there are no means with which to carry out such an award. Assuming that there has been a certain amount of injustice done,—I cannot see any clear evidence either way, because like a wise person, I have not gone into the past—I do not think it is political wisdom to revive all these ancient ghosts and visit all these omissions of the past on the people of the present State. That is what it amounts to. I do not know which way the balances are going to turn.

Dr. Lanka Sundaram: Then, why do you say, the present State?

Shri C. D. Deshmukh: What I meant was, if payment is to be made, some kind of expiation in terms of finance in favour of somebody, it has to be made by the present denizens of either the Andhra State-to-be or Tamil Nad, and that is for sins of commission or omission in the past, which, I think, in the nature of things, is a state of affairs which this House ought not to encourage, especially in view of the probability or I should say, possibility

of similar occasions arising in the future. Therefore, one has to be very particular, at this present stage, of what lines of good conduct or good consideration one lays down in regard to this particular matter.

Mr. Deputy-Speaker: Is it intended that the ancient accounts have to be looked into by the Finance Commission or merely a division of the existing assets?

Shri C. D. Deshmukh: You cannot divide assets and liabilities without looking into the accounts.

Mr. Deputy-Speaker: I mean the existing tangible property.

Shri C. D. Deshmukh: The gravamen of the suspicion seems to be that the accounts are doctored. Also the gravamen of the charge is that in the past a large revenue which accrued in one part of the State has been used, or "misused" according to them, within inverted commas, for the benefits of another part of that State. There is a kind of lurking hope that when the Finance Commission goes into these figures, it will somehow come to the conclusion that the past must be reversed and the injustice done in the past must be remedied by some kind of advantage in the future.

Mr. Deputy-Speaker: If all that is forgotten and the existing assets alone are divided, what is the difficulty?

Shri C. D. Deshmukh: The existing assets are there. For instance, if the land is 50:50 and if we were to say that the land should be divided in 36 and 64 or whatever the other portion is,.....

Mr. Deputy-Speaker: Compensation.

Shri C. D. Deshmukh:.....compensation comes in. That means cash. Now, who is going to have the cash?

Mr. Deputy-Speaker: Or withhold it from the Central Government's income-tax contribution to the State. Various methods can be devised.

1 P.M.

Shri C. D. Deshmukh: But it has to be paid by the Centre by withholding it from one State and paying it to the other.

Mr. Deputy-Speaker: Yes.

Shri C. D. Deshmukh: I say that no partitions are ever made on this basis. When a State is divided, it is not a question of straightening of accounts as in a joint family where all the old accounts are gone into and then the profits or losses or compensations are distributed. I think the conception of this scheme is wrong.

Now I was going to say that, therefore, the principles of allocation that we have adopted are principles which are based on practical considerations, and it would be risky to leave room for the evolution of any other, and therefore abstract, principles. We have taken into account all the claims which have been ventilated, we have certainly read all the representations both in the press and the State Legislature, and then come to conclusions to which we have. I need hardly say, having refuted the charge of partisanship, that we have been completely objective in this manner and have tried to take as impartial a view as possible. The fact is that the actual cost of any scheme is what it cost the State from time to time. There is no way known to me of ascertaining the market value of the irrigation works in the Cauvery delta. It was started probably by the Chola Kings, and perhaps similar observations apply to the Godavari, to the irrigation works in the Godavari and Krishna Delta. There is no such thing as market value for these. These assets are *in situ* and they must remain there.

Shri Gopala Rao: There is some suggestion in the Wanchoo report in this matter.

Shri C. D. Deshmukh: It does not matter who makes these recommendations. In my opinion they are wrong. I cannot think of any fairer apportionment than liabilities going with the as-

sets, that is to say—and that is the ordinary principle adopted even in the business world—to the extent to which the assets are there. The only dispute has been about whether the book value of the assets should be taken or we should make an attempt to determine the market value. Now, as I said, in all these territorial partitions, on account of the kind of reasons that I have mentioned, one can only take the accounted book value from the books, because, as I said, there is no means of finding out the market value for many of these things. What is the market value for the *Taccavi* loans, for instance? I do not know. These are also assets.

Now, Sir, the other point made is that the hon. Members have been kept in the dark, and they have not been supplied with figures. One must remember that we are dealing with the allocation of assets and liabilities as they will be on the 30th September, 1953, a date which has not yet arrived, the accounts up to which are not yet available.

Shri Nanadas: But regarding capital outlay it can be given, I think.

Shri C. D. Deshmukh: No one in the world today can give the expenditure up to 30th September, 1953. These expenditures have to be brought to account first. Anyone who is familiar with accounts knows that there are numerous adjustments to be made.

Shri Lakshmayya: What about the previous account?

Shri C. D. Deshmukh: I was dealing with the totality of accounts, not the previous accounts, because the point made was that somebody quoted Rs. 95 Crores, on some other day at some informal meeting the figures quoted was Rs. 117, we do not know where we are. I say I do not know where I am. The final accounts that we are concerned with are accounts as they will be relating to the period ending with 30th September, 1953 and as available perhaps in 1954. They are not available today. For instance, some reference was made to *Taccavi* loans

[Shri C. D. Deshmukh]

distributed in the Rayalseema districts. I find that about Rs. 3 or Rs. 4 Crores more have been distributed since that date; I think March, 1952. Some remissions of revenue have been given which are about a Crore and a half, and apart from it, *Taccavi* loans have been distributed. If these are added to the figure which the hon. Member took for pointing his argument, he will find that the conclusion is entirely different. Instead of getting 33 per cent. he will probably be getting 40 per cent. of the assets, which is also not probably fair. The reason why these assets are left to remain in the state in which they are, is a very simple and human one. If I have to recover something from my people, and hand it over to somebody else, I am not likely to show any alacrity in recovering these moneys, and therefore loans to local bodies and cultivators must remain the assets of the territory in which they have been distributed in the past. That only illustrates why it is necessary to adopt differential principles in determining the apportionment of different kinds of assets.

On the whole, therefore, I am convinced—and I reflect the views of Government—that a commission is entirely unnecessary, both as regards facts and as regards principles. The only thing that it will achieve is something that we wish to avoid. One can see that in spite of the violent acrimony of the debate today, there has been a good deal of good humour in the House, and I am sure that we want to preserve that spirit of understanding, in order that the two States—I am not speaking of Mysore, which is concerned only to a small extent—will devote their energies to building themselves up, to formulating their plans, to representing their needs to the Planning Commission and the Central Government, and so on. All that atmosphere will be vitiated if we appoint a commission, and we shall provoke controversies which we shall not be able to still for many years to come. Any impression that as a result of the re-

port of any such commission, one or the other state will receive any cash, is completely illusory, as I have pointed out earlier, because there is no cash to divide, except perhaps the till money which we are distributing according to one of the clauses in the Seventh Schedule. The Centre certainly will be prepared to assist in the development of the undeveloped areas, by making a detached assessment of the conditions of the tracts, and that holds good not only in the case of Andhra, but of any other backward tract in the country, and as the hon. Home Minister pointed out, that includes his own constituency as well, which is very much worse off than Andhra.

Dr. Katju: Not my constituency. I have come from Chambal constituency.

Shri C. D. Deshmukh: Your birth-place then.

We wish to take a detached assessment, and then make good that deficiency to the extent to which we are able to. But what the Centre cannot do is to lend money to any state to make a cash gift to the other, in order to remedy so-called past injustices.

Shri B. S. Murthy: May I ask one question? Arising out of your explanation, will the future Andhra State be in a position to question the accounts supplied up till 30th September 1953?

Shri C. D. Deshmukh: Yes, certainly, I hope they will have an account in general, and all the accounts will be available to them. Indeed, the implementation of the apportionment according to the Seventh Schedule cannot be carried out, unless the Accountants-General and any other nominated officers of both the States sit down together and go through the accounts.

Mr. Deputy-Speaker: The hon. Home Minister.

Several Hon. Members rose,—

Shri Raghavaiah: Is there no possibility for Movers of amendments to vent their feelings on this question?

Shri B. S. Murthy: We thought that some of us will be given some chance, because we have all given amendments to this.

Mr. Deputy-Speaker: I thought hon. Members who had tabled amendments have already had an opportunity.

Some Hon. Members: Nobody has had it. We thought that the hon. Finance Minister was merely intervening in the debate.

Shri C. D. Deshmukh: Yes, that is right.

Pandit Thakur Das Bhargava: There are only three or four amendments, and most of the hon. Members have been given a chance.

Mr. Deputy-Speaker: I have noted down the amendments that have been moved here. The simple point here is whether there ought to be Financial Commission, or whether we should go by the allocation that has been made in the Seventh Schedule.

If this principle is decided; if there is a Commission, then the 7th Schedule will not be taken up; if there is no Commission, we will have to go into the details and I will look through all the amendments later when we come to the 7th Schedule. At this stage, there are only 4 amendments regarding this Financial Commission. Enough has been said regarding this matter. Let us divide upon it. I understand the House is anxious to divide on this matter. If they want to divide, let them divide now. Hon. Members will kindly remember that originally it was said there was absolutely no intention to hustle any discussion. We originally fixed 7 days for the completion of all the stages. In between we had two half days—an hour and a half each, i.e., 3 hours. Even now the end is not in sight. When are we to finish this? And there is the other Bill that is waiting—the Estate Duty Bill—and there are a host

358 PSD

of other smaller Bills. Under these circumstances, I would like to put this matter to the vote of the House. On this will depend the 7th Schedule and the other clauses.

Shri Raghavaiah: Before you put it to vote, Sir, I submit that the amendments that are moved to this clause may be put.

Mr. Deputy-Speaker: I will put the amendments certainly to the vote of the House.

Shri Raghavaiah: Without a discussion, how can you put them to vote?

Shri B. S. Murthy: I suggest, Sir, that the Division may be kept for tomorrow. We would like to have a further chance to speak.

Shri S. S. More: Let them convert the others to their viewpoint.

Shri Gopala Rao: There are many Members who would like to participate in the discussion. I humbly submit that today some more time may be given for discussion.

Shri B. S. Murthy: I do not think there are many speakers.

Mr. Deputy-Speaker: The 7th Schedule will certainly be considered. But if this amendment relating to the Financial Commission is passed, then the 7th Schedule goes out of the picture. If it is not passed, the 7th Schedule will be considered in detail independently of clause 47. I thought enough had been said regarding these amendments to clause 47.

Shri Gopala Rao: When these amendments were moved, it was stated from the Chair that the 7th Schedule and clause 47 would be taken together.

Mr. Deputy-Speaker: No, no. There is a fundamental difference between the 7th Schedule and clause 47. The 7th Schedule follows as a consequence of clause 47 being passed. If clause 47 is amended, i.e. the amendment regarding reference of the matter to a Financial Commission is passed the 7th Schedule goes out of the picture.

[Mr. Deputy-Speaker]

Under those circumstances, I shall dispose of the amendments relating to clause 47. We will devote our attention to the 7th Schedule tomorrow.

Shri Ramachandra Reddi (Nellore): We have one minute more before 1.15 and the hon. the Home Minister has not replied yet.

Mr. Deputy-Speaker: I do not think he has much to reply.

Shri S. S. More: He will have a lot.

Shri Ramachandra Reddi: It will be useful if we continue the discussion tomorrow or at least have the voting tomorrow. The hon. Minister will take some time—15 minutes at least—and the Division will take sometime. All this cannot be concluded today. So we can now adjourn and then meet again tomorrow.

Shri B. S. Murthy: May I submit...

Mr. Deputy-Speaker: How many submissions on this particular point? Anyhow we have reached a stage on this contentious matter as to whether it ought to be referred to a Financial Commission or not. If that is decided, the matter can be gone into so far as the 7th Schedule is concerned. This Bill cannot be finished today unless we sit in the afternoon.....

Some Hon. Members: No.

Mr. Deputy-Speaker: Therefore, this will have to stand over till tomorrow. But is there any prospect of finishing it tomorrow at least?

Some Hon. Members: Yes.

Mr. Deputy-Speaker: When are we to finish clause 47 and the 7th Schedule?

Dr. Lanka Sundaram: May I submit, Sir, that we are still on the second reading stage. The clauses are still there. Is it the intention to have the third reading also completed tomorrow?

Mr. Deputy-Speaker: I can easily repeat the question. Is it the intention to go on endlessly? We fixed 7 days. I ought to have applied guillotine today in accordance with what has been agreed upon in the House. What is the use of putting me that question?

Therefore, instead of putting clause 47 to the vote of the House now—if any hon. Member is going to say anything which has not been said till now, and if he has had no opportunity at all—subject to all these limitations, I will put it to vote at 10.15. From 8.15 to 9.15, there is the question hour. And, from 9.15 to 10.15, I will give one hour for this and then take the division, if it is intended to divide, on this clause 47 at 10.15. From 10.15, till 12 o'clock, we shall finish the rest of the clauses, and from 12 to 1.15 we shall have the third reading and the whole thing will close at 1.15.

The House now stands adjourned till 8.15 tomorrow.

The House then adjourned till a Quarter Past Eight of the Clock on Wednesday, the 26th August, 1953.