

Monday,
29th March, 1948

THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

Official Report

VOLUME IV, 1948

(19th March to 5th April, 1948)

SECOND SESSION

of the

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1948



CONTENTS

Volume IV 19th March to 5th April, 1948.

	Pages
FRIDAY, 19TH MARCH, 1948—	
Starred Questions and Answers	2403—41
Railways (Transport of Goods) Amendment Bill— Passed as amended	2441—55
Taxation on Income (Investigation Commission) (Amendment) Bill—Motion to consider as reported by Select Committee—Adopted	2455—85
MONDAY, 22ND MARCH, 1948—	
Starred Questions and Answers	2487—2500
Short Notice Question and Answer	2500
Motion for Adjournment	2500
Indian Finance Bill—Presentation of Report of Select Committee.	2500
Papers laid on the table—Convention and Recommendations concerning children and young persons adopted by International Labour Conference	2500
Indian Aircraft (Amendment) Bill—Introduced	2501
Control of Shipping (Amendment) Bill—Introduced	2501
Banking Companies Bill—Introduced	2501
Estate Duty Bill—Introduced	2501
Taxation on Income (Investigation Commission) (Amendment) Bill—Passed as amended	2501—47
TUESDAY, 23RD MARCH, 1948—	
Starred Questions and Answers	2459—2582
Atomic Energy Bill—Introduced	2582
Junagadh Administration (Property) Bill—Introduced	2583
Delhi and Ajmer-Merwara Rent Control (Amendment) Bill—Introduced	2583
Protective Duties Continuation Bill—Passed as amended	2583—2610
Indian Tea Control (Amendment) Bill—Passed as amended	2610—14
Indian Power Alcohol Bill—Passed as amended	2614—26
Indian Railways (Amendment) Bill—Passed as amended	2626—27
MONDAY, 29TH MARCH, 1948—	
Declaration by Members	2629
Starred Questions and Answers	2629—53
Delay in printing of Assembly Debates	2654—72
Unstarred Question and Answer	2672
Statement of Policy <i>re</i> Ex-Indian National Army Personnel	2673-74
Papers laid on the table—Notification <i>re</i> Amendments of the Ajmer-Merwara Motor Vehicles Rules, 1940	2675
Delhi and Ajmer-Merwara Land Development Bill—Presentation of Report of Select Committee	2676
Income-tax and Business Profits tax (Amendment) Bill—Introduced	2676
National Cadet Corps Bill—Introduced	2676
Road Transport Corporation Bill—Introduced	2676
Calcutta Port (Pilotage) Bill—Introduced	2676
Ajmer-Merwara Tenancy and Land Records Bill—Introduced	2677
Indian Finance Bill—Motion to consider as reported by Select Committee— Adopted	2677—2712
TUESDAY, 30TH MARCH, 1948—	
Starred Questions and Answers	2713—42
Unstarred Question and Answer	2742—43
Short Notice Questions and Answers	2744—49
Governor General's Assent to Bills	2750
Indian Finance Bill—Passed as amended	2750—53

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Monday, 29th March, 1948

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

DECLARATION BY MEMBERS

The following member made the Declaration under Rule 2C:
Shri Kuladhar Chaliha (Assam: General).

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

ENQUIRY INTO DISPOSAL OF AEROPLANES BY CERTAIN OFFICIALS

964. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Industry and Supply be pleased to refer to the answer given to my Short Notice Question, asked on the 12th December, 1947 regarding the disposal of aeroplanes by certain officials and state whether the enquiry referred to therein is now completed?

(b) If not, when is it likely to be completed and what are the reasons for the delay?

(c) If it is completed, what is the result and do Government intend to take steps against the officials concerned?

(d) What action do Government intend to take against such of those officials as have left India?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). Yes, Sir, Government have completed their enquiry. The decision complained of, which was taken in 1946, was that it was not worth while to undertake the repair of the damaged aircraft because the cost of repair would be excessive, there was an adequate supply of Dakotas available to meet all demands, and there was an acute shortage of the major spares which would have been required for repair. Conditions since that decision was taken have altered, and India's requirements of aircraft have greatly increased. My Ministry has consulted the Communications Ministry, and it is considered that the decision taken in 1946 by the officials concerned was, in the conditions then existing, a justifiable one.

(d) Does not arise.

Mr. R. K. Sidhva: Sir, my question was quite different. I wanted to know what action has been taken in view of the Honourable Minister having made that statement. He is giving the 1946 reply. Does it really refer to the same thing?

Mr. Speaker: Possibly it is the same.

Mr. R. K. Sidhva: It has no bearing on this question.

Mr. Speaker: That is the Honourable Member's opinion. If he is not satisfied with the answer he may put supplementary questions.

Mr. R. K. Sidhva: May I know whether the officer who then condemned these aircrafts was then Director of Aeronautical Inspection and he is even today employed as the Deputy Director General?

The Honourable Dr. Syama Prasad Mookerjee: As I explained, Sir, this happened in 1946 and it has been held after enquiry by the Communications Ministry that there were proper reasons for arriving at the decision by the officials concerned and therefore no action is proposed to be taken now.

Mr. Speaker: The question of the Honourable Member was whether the same gentleman continues in service.

The Honourable Dr. Syama Prasad Mookerjee: That is so.

Mr. R. K. Sidhva: May I know whether the Government propose to take any action against the gentleman concerned or not?

Mr. Speaker: That has been replied to.

Mr. R. K. Sidhva: The Honourable Minister stated last time that one officer had gone to Pakistan and the other was in service in India. May I know whether the Honourable Minister is taking the necessary action.....

The Honourable Dr. Syama Prasad Mookerjee: This matter was inquired into. I have got the answer before me that the enquiry would be undertaken. The enquiry could not be undertaken by my Ministry: it related to the Communications Ministry, and the Communications Ministry held the view that no further action need be taken.

Mr. R. K. Sidhva: Mr. Biswanath Das asked whether in view of the fact that some of the officials had gone to Pakistan whether their pensions would be stopped and the Honourable Dr. Syama Prasad Mookerjee replied that they had mostly gone to Pakistan. May I know how many of them have gone to Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: I cannot give the number but there were several officers who were holding subordinate positions and who have gone to Pakistan.

Mr. R. K. Sidhva: Is it not a fact that one of the officers has gone to Pakistan and one is in service? In view of that will the Honourable Minister consider the question of stopping this officer's pension if he was found responsible?

Mr. Speaker: The Honourable Member's point of view may be right but the question is a suggestion for action.

Shri M. Ananthasayanam Ayyangar: May I know if as a result of this enquiry instead of meeting out punishment to the officer concerned he has been promoted?

The Honourable Dr. Syama Prasad Mookerjee: I will have to refer to the Communications Ministry.

Shri M. Ananthasayanam Ayyangar: Is it a fact that that officer is a Britisher and is holding a key post and is it not dangerous to keep him in a key post of that kind?

The Honourable Dr. Syama Prasad Mookerjee: I can convey this to the Honourable Minister for Communications.

Prof. N. G. Ranga: In view of the fact that the Honourable Minister for Communications is sitting just next to the Honourable Minister, will the Minister for Communications and the Minister of Industry and Supply have a rapid discussion between themselves and give the House a satisfactory answer?

Shri M. Ananthasayanam Ayyangar: In view of the fact that these Dakotas were found useful and necessary in the interest of our expansion, what steps are being taken in the way of installing a repair factory or a factory which would produce the spare parts, etc., in this country?

The Honourable Dr. Syama Prasad Mookerjee: All possible steps have been taken. The repair work is undertaken by the Hindustan Aircraft Factory at Bangalore and we are also arranging to get spare parts from Dakotas which will not be used in India. We are also getting stocks from the U.S.A.

Seth Govinddas: By what time do the Government expect these Dakotas which are under repair to be ready for use?

The Honourable Dr. Syama Prasad Mookerjee: The Hindustan Aircraft Factory has intimated that it will be prepared to carry out the repairs according to schedule.

Seth Govinddas: How much time will it require?

The Honourable Dr. Syama Prasad Mookerjee: They will repair about six Dakotas per month and may later go up to nine.

Shri M. Ananthasayanam Ayyangar: May I know if in the Hindustan Aircraft Factory the top men are all Europeans?

The Honourable Dr. Syama Prasad Mookerjee: Some of the top men are non-Indians but we are Indianising the personnel of the Hindustan Aircraft Factory.

Mr. R. K. Sidhva: Is it a fact that this gentleman who is now promoted has since condemned more American aeroplanes?

The Honourable Dr. Syama Prasad Mookerjee: Not recently.

Shri T. T. Krishnamachari: May I know whether the officers of the Civil Aviation Department who condemned these aircraft took a unilateral decision or they did it in conjunction with the R.I.A.F. or the R.A.F.?

The Honourable Dr. Syama Prasad Mookerjee: They act jointly.

Dr. B. Pattabhi Sitaramayya: Was this enquiry which was conducted an open public one or was it a departmental private action?

The Honourable Dr. Syama Prasad Mookerjee: It was a departmental enquiry. The position is this. Certain decisions were taken by the officer concerned that it would not be worthwhile to repair these Dakotas in view of the non-availability of major spares in India and the Communications Ministry now feels that there was sufficient justification for coming to that decision.

Mr. R. K. Sidhva: The question is whether they were good, workable, air-worthy craft which were condemned by this officer. That is the question.

Mr. Speaker: That has been replied to.

TRANSFER OF SERVICE BOOKS OF GOVERNMENT EMPLOYEES FROM PAKISTAN

965. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether the Service Books of various Railway employees who have opted out from Pakistan and are now employed in India, have been received from the Government of Pakistan?

(b) If not, have Government written to the Government of Pakistan to accelerate their despatch?

(c) Is it a fact that due to the non-availability of Service Books, several employees have not received their increments and have also suffered regarding their promotions?

The Honourable Dr. John Matthai: (a) Out of approximately 50,000 employees affected, the service records of about 9,000 only have so far been received.

(b) Yes and such communications have been followed up by deputing a Liaison Officer with a staff to assist him for the actual collection of such records.

(c) The reply to the first part is in the affirmative. As regards the latter part, instructions have been issued to the Railway Administrations that in the case of staff whose service records have not yet been received from the Pakistan Government, declarations regarding their dates of confirmation in the substantive grade should be taken from the staff and that they should be given

the seniority on the basis of these declarations subject to adjustment on receipt of the records. In cases where the staff do not recollect the exact dates, the Railway Administrations have been authorised to accept approximate dates.

Shri Deshbandhu Gupta: May I know if all those people who had opted for India have been absorbed by the Railways?

The Honourable Dr. John Matthai: Not completely.

Shri Deshbandhu Gupta: What is the likely number which has not been absorbed so far?

The Honourable Dr. John Matthai: I will furnish the Honourable Member with that particular information: I have not got it just now.

Prof. N. G. Ranga: In view of the fact that the railways themselves have said that they are short of hands in very many branches, why is it that all those who have opted out from Pakistan for India have not yet been absorbed?

The Honourable Dr. John Matthai: The reply to that question is that shortage occurs in certain specialized categories and a large number of the people who have not been absorbed so far are people who are not suitable for those particular categories.

Mr. R. K. Sidhva: Are they entitled to appointment under the terms of the agreement?

The Honourable Dr. John Matthai: Yes, we have got to absorb them.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if preference will be given only to those people who in the first instance opted out for Pakistan and are now trying to return to India?

The Honourable Dr. John Matthai: That is the principle on which we are acting.

Shri M. Ananthasayanam Ayyangar: May I know how many of those persons who originally opted out for Pakistan and are trying to return, have been given facilities in regard to service books, etc.?

The Honourable Dr. John Matthai: That is a question on which I am not in a position to give a definite reply straightaway. I may tell the House that I am getting a detailed memorandum drawn up because several Honourable Members informally have expressed great interest in the question and I hope to be able to give the Honourable Member fuller and more detailed information later.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if he would appoint any tribunal of say an official and a non-official to enquire into the cases of those persons who are now coming back from Pakistan having originally opted out because these are essential and key services?

The Honourable Dr. John Matthai: That is a suggestion which would arise after the Honourable Member has had an opportunity of examining the position that will be set out in the memorandum that I am having prepared.

Shri M. Ananthasayanam Ayyangar: May I take it as an assurance from the Honourable Minister that until the House—myself along with other members—has had an opportunity of studying these matters, no person who originally opted out for Pakistan and now wants to come back will be entertained?

The Honourable Dr. John Matthai: I should like to make the position absolutely clear. This matter is not in the hands of the Railway Ministry. The problem is one that affects all the departments in the Government of India, and what we are doing in the Railway Ministry is to act strictly within the framework of the policy which has been laid down by the Home Ministry. So the Honourable Member's question really must be addressed to the Home Ministry. We are entirely in their hands.

Dr. P. S. Deshmukh: May I know what is the policy laid down by the Home Ministry?

The Honourable Dr. John Matthai: The policy that they have laid down in regard to people who opted in the first instance for Pakistan and then later have changed their option, in broad terms is this: We offer opportunities of employment to people who opted for India in the first instance. After that would come those people who exercised their final option for India. In regard to these cases the policy of the Home Ministry is that each individual case must be examined on the merits. That broadly is the policy. Now as far as we in the Railway Ministry are concerned, as I said, we are acting entirely on whatever policy may be laid down by the Home Ministry in this matter.

Mr. Frank R. Anthony: Are Muslims being treated exactly on the same footing as members of other communities?

The Honourable Dr. John Matthai: There is no distinction being made between one community and another.

Pandit Lakshmi Kanta Maitra: May I enquire if it is not a fact that in regard to final option for the Indian Union, the original period of six months was scrapped as soon as this policy was given out?

The Honourable Dr. John Matthai: In certain cases that was done. That is how the problem of shortage of engine crews arose in Bengal.

Pandit Lakshmi Kanta Maitra: I am asking if it is not a fact that the original period given for exercising option was six months but that was changed later?

The Honourable Dr. John Matthai: No, it has not been.

Shri Deshbandhu Gupta: May I know if it is a fact that special facilities are being given by the Government of India to those who had originally opted out for Pakistan and have now changed their minds?

The Honourable Dr. John Matthai: No such facilities are given.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister arising out of his answer that it is a Home Department matter, but there is no Cabinet responsibility, and if the Honourable Minister did not consider the point that reinstatement of these people will disturb the amity and the relationship in the existing staff in his department?

The Honourable Dr. John Matthai: The responsibility is certainly that of the Cabinet as a whole, but the department primarily concerned is the Home Ministry, and as far as we are concerned, I may tell the Honourable Member that I refer every doubtful case (every case on which I am not in a position straightaway to determine what the application of the Home Ministry's policy would mean) to the Home Ministry for their opinion.

Pandit Balkrishna Sharma: May I know if the Honourable Minister is aware of the fact that the East Bengal Government refused its employees the exercise of the clause about the final option, and if it is a fact, whether it is not possible for the Railway Ministry also, and the Home Ministry along with it, to take into consideration the recalcitrance of the East Bengal Government in this matter?

The Honourable Dr. John Matthai: I have received no definite report on this point, but if there are cases of that kind, they will be taken up at the inter-dominion level.

Shri M. Ananthasayanam Ayyangar: May I ask if the opinion of the Honourable the Law Minister has been obtained in regard to the enforcement of this

clause as to whether, irrespective of the change of conditions, we are bound by those terms?

The Honourable Dr. John Matthai: I presume the Home Ministry has consulted all the Ministries concerned in the matter.

Pandit Lakshmi Kanta Maitra: May I know if the Honourable Minister has enquired of the different general Managers of the Railway Administrations as to the reaction that it is likely to have on the morale of the existing staff in case these people are absorbed?

The Honourable Dr. John Matthai: I may assure the Honourable Member that I am in constant touch with the Railway Administrations as regards the reactions of this problem upon the staff as a whole.

Pandit Lakshmi Kanta Maitra: Is it not a fact that General Managers in different places have reported that it would have a disastrous effect on the existing staff if these people who have now opted for the Indian Union are absorbed in service?

The Honourable Dr. John Matthai: As a general proposition that is not true.

Prof. N. G. Ranga: May I ask, Mr. Speaker, for your guidance whether, when another Honourable Minister to whom reference is being made here by a Minister at question time happens to be in the House, whether it will not be possible for either the Speaker or for any of us to request the other Honourable Minister to give the necessary information called for?

Mr. Speaker: In fact, that practice is being followed, and the House knows that whenever an occasion arose, the Honourable the Prime Minister has given information but in this particular case, the Honourable Minister for Home Affairs is not here.

Prof. N. G. Ranga: Just now the Honourable the Railway Minister has made a reference to the Honourable the Law Minister and said it is presumed that the Home Minister might have consulted the Law Minister. May I request the Honourable the Law Minister through you to tell the House whether he has been consulted at all about this particular matter, and if so, what reply he has given?

Mr. Speaker: I think, as a matter of general prudence and in the interests of not involving government into unnecessary controversy, the Law Minister should not be expected to express his opinion on particular points.

Prof. N. G. Ranga: But whether he has been consulted or not, is a question of fact?

Mr. Speaker: That he can say if he wants to.

The Honourable Dr. B. R. Ambedkar: My department may have been consulted. It is not a matter which necessarily comes to the Law Minister.

Prof. N. G. Ranga: I take very strong exception to this levity because every Minister is expected to be responsible for everything that is supposed to be done by his department and I take very strong objection indeed to that kind of procedure.

Mr. Speaker: Not being a lawyer perhaps the Honourable Member does not understand that there is a difference between being responsible for a thing and knowing that particular thing. Admittedly the Law Minister would be responsible for anything done by any of his subordinates, but that does not necessarily mean that he is conversant with all the details. Whatever it is, it is not a point for argument now, and I am calling the next question.

DISALLOWANCE OF UNIFORMS TO STAFF FROM PAKISTAN SERVING ON INDIAN RAILWAYS AND HOUSE RENT FOR BOOKING AND LUGGAGE CLERKS.

966. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the North-Western Railway used to allow their employees uniforms?

(b) If so, is it a fact that such employees who opted out from Pakistan and were posted to the Bombay, Baroda and Central India Railway do not get uniforms?

(c) Were the Booking and Luggage clerks appointed before 1928, entitled to house rent in lieu of quarters?

(d) If so, are such employees who opted out from Pakistan being paid this allowance?

The Honourable Dr. John Matthai: (a) Yes, to certain categories of staff.

(b) The N.W. Railway staff who have been absorbed on the B.B. and C.I. Railway are given uniforms according to the scales laid down and provided they work in posts in which a uniform is given on that Railway.

(c) Yes, provided they held posts which carried the concession of rent-free quarters or house rent allowance in lieu thereof prior to 1st August, 1928.

(d) Yes, subject to the same condition as in (c) above.

Mr. R. K. Sidhva: May I know, S'r, whether the booking and luggage clerks of the N.W. Railway were granted uniforms and house rent, and whether they are being granted on the B.B. and C.I. and G.I.P. Railways?

The Honourable Dr. John Matthai: I am not quite certain, but I would like to get information on that.

Mr. R. K. Sidhva: Will the Honourable Minister make enquiries and let me know?

The Honourable Dr. John Matthai: Yes, S'r.

REDUCTION IN PASSENGER SEATS ON VARIOUS INDIAN AIR ROUTES DUE TO HEAVY FREIGHT.

967. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Communications be pleased to state the total carrying capacity of passengers in a Dakota aeroplane, and the number of passengers actually carried by each Dakota plane by various companies from 5-2-48 to 20-2-48 on Bombay—Delhi route and *vice versa* and Karachi—Delhi route and *vice-versa*?

(b) Is it a fact that some companies carry large quantities of freight thus reducing the number of seats for passengers?

(c) Are Government aware that on many occasions seats are denied to passengers for days because of heavy freight?

(d) If so, do Government propose to enquire into the matter?

The Honourable Mr. Rafi Ahmed Kidwai: (a) The normal carrying capacity of a Dakota aircraft is 21 passengers. Particulars of number of passengers carried on each of the services on the Bombay-Delhi and Karachi-Delhi route have been called for from the Operating Companies concerned and will be supplied to the Honourable Member on receipt.

(b) Normally Companies carry freight only when spare load capacity is available after allowing for passengers.

(c) Freight is very rarely carried at the expense of passengers, but then if it is only of very high priority.

(d) Government would be prepared to enquire into concrete cases if they are brought to their notice.

Mr. R. K. Sidhva: Is it not a fact, S'r, that although seats were available for passengers they were refused tickets and the freight was given preference over the passengers? May I know whether the Company's attention was drawn to that fact?

The Honourable Mr. Rafi Ahmed Kidwai: As I have said, the companies have been carrying freight only when they can take the extra weight. But they have to give preference to passengers; if any concrete case is brought to the notice of Government, with particulars of dates and time of the service, then enquiries will be made.

Mr. R. K. Sidhva: Have the Government given instructions to the Companies that they must give preference to passengers?

The Honourable Mr. Rafi Ahmed Kidwai: That has been said more than once in this House.

Shri M. Ananthasayanam Ayyangar: Is it not a fact that these Dakotas were carrying 39 and 40 passengers in times of emergency, and the number of 21 is unnecessarily reduced so as to divert the purchase of Dakotas to other Vikings and "Seakings" in England?

The Honourable Mr. Rafi Ahmed Kidwai: That is the number prescribed by international law and that is being enforced here.

Mr. R. K. Sidhva: Is it not a fact that under the international law 26 passengers are allowed in Great Britain whereas here in India only 21 are allowed? May I know what is the reason for this difference?

The Honourable Mr. Rafi Ahmed Kidwai: Great Britain is not following that law—that is all I can say.

Shri M. Ananthasayanam Ayyangar: I did not follow that answer.

The Honourable Mr. Rafi Ahmed Kidwai: Great Britain is not following that law that has been decided by convention.

Shri M. Ananthasayanam Ayyangar: Is it not a fact, Sir, that on account of shortage of Dakotas, even in case of an emergency this limiting of the number to 21 is working as a hardship for passengers to be carried from one place to another?

The Honourable Mr. Rafi Ahmed Kidwai: I have replied to this question several times in this House and I have said that that is the law. But this law does not apply to the military and if the military wants to carry more passengers they can take over Dakotas and use them as they like.

Shri M. Ananthasayanam Ayyangar: Even with respect to civilian passengers why is this law not adopted when it is adopted in the United States of America?

The Honourable Mr. Rafi Ahmed Kidwai: For reasons of safety, it is not applied in this country. On another occasion I mentioned that we have got very few aerodromes. In case of difficulty Dakotas cannot easily land without proper aerodromes.

The Honourable Pandit Jawaharlal Nehru: Sir, may I remind the House that in this matter we have to take extreme precautions? It may be that inconvenience is caused to some passengers, but I take it that it will be a greater inconvenience if there is a crash. We have a very excellent record in this country with regard to air flights and we are going to take no risks about it. It is better for a fewer passengers to be carried with perfect safety than any risk to be taken.

**SEASON TICKETS ISSUED ON B. B. AND C. I. AND G. I. P. RAILWAYS IN
JANUARY AND FEBRUARY 1947 AND 1948.**

968. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Railways be pleased to state the total number of season tickets issued for all classes in the months of January and February 1947 and January and February 1948 on the B.B. & C.I. and G.I.P. Railways?

(b) What is the total revenue derived from each class during the above periods?

(c) Is it a fact that the demand for season tickets between Bombay and Poona has fallen down after the recent increase in fares?

(d) Do Government expect to realise, in view of this fall, the same revenue as anticipated?

(e) If not, do Government intend to take any steps to revise the rates for season tickets?

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

(c) The number of season tickets issued in January and February, 1948, available between Bombay and Poona shows a decrease as compared with the corresponding period of 1947. This does not necessarily indicate that there has been a fall in traffic as many passengers purchased quarterly or half-yearly season tickets in December, 1947, and the actual effect of the increase in fares can be gauged only after six months.

(d) It has not been proved that there has been a fall in season ticket traffic between Bombay and Poona, and in any case the proportion of this traffic to the general traffic is not very great. It is not apprehended that the anticipated revenue from season tickets will not be realised.

(e) Does not arise.

Statement

The G.I.P. Railway sold 1,83,700 season tickets in January and February 1947, and 1,73,500 in January and February 1948. The B.B. and C.I. Railway sold 98,827 season tickets in January 1947 and 99,236 in January 1948. In February 1947, they sold 93,080 season tickets. Comparative figures for February 1948 have not yet been received and will be laid on the table of the House later.

G. I. P. Railway:

First Class	Rs. 30,255 in January and February, 1947; Rs. 11,182 in January and February, 1948.
Second Class	Rs. 1,41,330 in January and February, 1947; Rs. 95,019 in January and February, 1948.
Inter Class	Rs. 101 in January and February, 1947; Rs. 135 in January and February, 1948.
Third Class	Rs. 6,56,125 in January and February, 1947; Rs. 7,57,000 in January and February, 1948.

B.B. and C.I. Railway:

First Class	Rs. 22,636 in January and February, 1947; Rs. 6,078 in January, 1948.
Second Class	Rs. 1,63,126 in January and February, 1947; Rs. 76,999 in January, 1948.
Inter Class	Rs. 176 in January and February, 1947; Rs. 54 in January, 1948.
Third Class	Rs. 7,40,023 in January and February, 1947; Rs. 4,47,187 in January, 1948 (February figures are awaited and will be laid on the table of the House when received).

PICK-POCKETS ON PLATFORMS AND RUNNING TRAINS ON BENGAL NAGPUR RAILWAY.

969. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware of the growing menace from pick-pockets on railway platforms and running trains, particularly on the Bengal Nagpur Railway, in between the stations of Jharusgarh and Tatanagar?

(b) Is it a fact that most of the pick-pockets, as revealed from cases brought to the notice of the authorities, are beggars who are allowed to travel and beg freely on the trains?

(c) How do Government propose to combat the menace in the particular section referred to in part (a) above?

The Honourable Dr. John Matthai: (a) Government have received complaints but it is difficult to say whether the habit is on the increase. With regard to stations between Jharsuguda and Tatanagar on the B.N. Railway, information is being obtained from the Police and will be laid on the table of the House on receipt. There is reason to believe that an organised gang has been operating between Jharsuguda and Kharagpur.

(b) Beggars are amongst those involved in such cases, but the crime is committed mostly by old offenders, some of whom may be carrying out their activities in the guise of beggars. Beggars are not allowed to travel and beg freely. When detected, they are either driven out or made over to the Government Railway Police.

(c) It is intended to move the Provincial Governments to ask the police to devise more effective steps for the prevention of pocket-picking.

Dr. B. Pattabhi Sitaramayya: Are Government aware of the statement of a pick-pocket in a magistrate's court that so long as gentlemen have side-pockets there will be pick-pockets?

Mr. Speaker: Order, order.

HELP TO C. P. AND BERAR GOVERNMENT FOR ESTABLISHING FOREST TRAINING COLLEGE.

970. *Seth Govinddas: (a) Will the Honourable Minister of Agriculture be pleased to state whether Government propose to give any help to the Central Provinces and Berar Government for establishing a college for training in forestry?

(b) Are Government sending candidates abroad for training in forestry from that province? If so, what is their number?

The Honourable Shri Jairamdas Doulatram: (a) The Government of India have not received any such request from the Provincial Government. Government of India is of the view that for some time still to come forestry training, if it is to be of a high standard should not be undertaken by different provinces but should be undertaken at the present two central Training institutions.

(b) Yes. One student was deputed in 1946.

Seth Govinddas: Are Government thinking of establishing such an institution on behalf of the Central Government in that Province?

The Honourable Shri Jairamdas Doulatram: Not at present.

Prof. N. G. Ranga: What is the capacity of these two Central institutions to train young men in forestry?

The Honourable Shri Jairamdas Doulatram: Round about 175.

Prof. N. G. Ranga: Are Government satisfied that for the whole of India an annual number of 175—or is the 175 for a period of three or five years' training?—is quite enough and satisfactory?

The Honourable Shri Jairamdas Doulatram: No, the number is not enough and we will increase the number through these two Central institutions.

Shri M. Ananthasayanam Ayyangar: Arising out of answer to (b), may I know whether Government are sending candidates abroad for training in forestry, from that Province, and if so to what country?

The Honourable Shri Jairamdas Doulatram: I could not say off hand.

Shri M. Ananthasayanam Ayyangar: What is the need any further for sending candidates for further studies in England?

The Honourable Shri Jairamdas Doulatram: There is no special need and our efforts will be to see that our students are educated in our institutions which are of a fairly high order.

Shri M. Ananthasayanam Ayyangar: Has the Honourable Minister set a time limit within which our Forest Institutes here will be brought to a high standard?

The Honourable Shri Jairamdas Doulatram: As soon as possible.

Shri M. Ananthasayanam Ayyangar: Is there any plan behind it, any five year or ten year plan? Has the Honourable Minister evolved a plan both for teaching as also for forest re-planting and so on?

The Honourable Shri Jairamdas Doulatram: There is no immediate plan but there will be a plan. I am visiting the Institute myself tomorrow to understand the situation.

Shri Biswanath Das: May I know whether the Honourable Minister is aware of the fact that England is neither an agricultural country nor has she any forests?

The Honourable Shri Jairamdas Doulatram: That is so; therefore nobody will be sent there now.

Prof. N. G. Ranga: Is it not a fact that even those who are to be qualified as forest officers are to be trained in these institutions or are these institutions intended for training rangers and guards alone?

The Honourable Shri Jairamdas Doulatram: Not only rangers but officers also.

Seth Govinddas: Is there any plan at present, as far as the Central Government is concerned, to open such colleges in any other places where they do not exist at present?

The Honourable Shri Jairamdas Doulatram: At present we have two Central institutions. If we are to duplicate these institutions all over the country, the standard of teaching is bound to fall. There is a limited number of fairly highly-qualified Instructors; it is with that limited strength that we can at present run these two institutions so as to benefit the country as a whole. A time will come when other Provinces will need forest institutions, but at present we will not be able to man them with staff of the requisite high standard.

Seth Govinddas: Is there any proposal to select students for admission to these Central institutions from the various provinces on the basis of their population or their agricultural needs?

The Honourable Shri Jairamdas Doulatram: An effort will be made in that direction and if any defect is pointed out it will be corrected.

REASONS FOR DIFFERENT CHARGES BY G. N. I. T. LTD, DELHI ON DIFFERENT OR SAME ROUTES

971. *Seth Govinddas: Will the Honourable Minister of Transport be pleased to state the reasons for the difference, if any, between the fare charged by the Gwalior and Northern India Transport Company Limited, Delhi, on their buses for the different routes or between stopping stations on the same route and the fare prescribed by the Chief Commissioner, Delh.?

The Honourable Dr. John Matthai: As far as Government is aware there is no difference between the fares charged by the Company and the rates prescribed by the Chief Commissioner, Delhi. There are regular 'bus stops' and intermediate 'by request' stops and the fares are charged on the basis of the distance between the regular bus stops. A passenger getting down at an intermediate 'by request' stop has to pay the fare up to the next regular stage and this accounts for the apparent discrepancy in the rates of fares referred to by the Honourable Member.

Seth Govinddas: What is the machinery, Sir, which generally checks these bus fares on behalf of Government?

The Honourable Dr. John Matthai: Well, Government do not do any checking as such. As far as Government are concerned, what we do is that when specific cases of irregularities are reported to us, we enquire into them and see that these irregularities are set aright.

Dr. P. S. Deshmukh: Has Government at any time tried to compare the fares obtaining in Delhi with those charged in Bombay?

The Honourable Dr. John Matthai: I have not done it yet.

Dr. P. S. Deshmukh: Will they do it?

The Honourable Dr. John Matthai: Certainly.

Mr. E. K. Sidhva: Is it not a fact, Sir, that the fares of this company are higher than the fares charged by bus services in any town in India?

The Honourable Dr. John Matthai: I will have to enquire into that.

Seth Govinddas: Am I to take it, from the reply which the Honourable Minister gave a few minutes ago, that Government have not received any complaints about the fares charged by this company?

The Honourable Dr. John Matthai: Not so far as I know. I made an enquiry into this matter as soon as I received copy of the Honourable Member's question, and as far as our papers here show, we have not received any formal complaints.

Shri M. Ananthasayanam Ayyangar: Is there any proposal to acquire this company by the State from the 1st April?

The Honourable Dr. John Matthai: I cannot give any particular time limit, but that matter is under very active consideration.

Shri Deshbandhu Gupta: May I know, Sir, whether any further progress has been made in the negotiations which were being carried on between the Government and the Company in respect of the service being taken over by Government?

The Honourable Dr. John Matthai: The question is being examined, by the Standing Finance Committee and the Ministry of Finance.

Dr. B. Pattabhi Sitaramayya: Will Government be pleased, Sir, in view of the extremely high efficiency of the Madras bus service, to get some expert from there and seek his advice in regard to the running of buses here?

The Honourable Dr. John Matthai: I will keep the suggestion in mind.

GUIDES FOR THIRD CLASS PASSENGERS AT DELHI MAIN STATION ON EAST PUNJAB RAILWAY

972. *Seth Govinddas: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that guides for third class passengers have been recruited and posted at the Delhi Main Station on the East Punjab Railway?

(b) Is it a fact that applications were not invited for recruitment, as the selection was confined to the candidates trained in social service and recommended by well-known social service institutions?

(c) What is the number of guides recruited for this purpose?

(d) Out of the total, how many are men and how many are women?

(e) What are their educational qualifications and which social service institutions have recommended them?

(f) In what way were these institutions approached by the Railway Administration?

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

(b) No applications were invited, but well-known Social Service Organisations were requested to recommend suitable social workers for employment as Guides.

(c) and (d). Sixty-eight men and 17 women have been recruited for various stations on the E.P. Railway. Out of this, 27 men and 6 women are employed at Delhi Main Station.

(e) The minimum educational qualification is Matriculation 2nd Division. Candidates are recruited from those recommended by the Central Relief Committee, and the Provincial Congress Committee, the Y.M.C.A. and Y.W.C.A., The Caravan of India and the Boy Scouts Association.

(f) The representatives of the Organisations were invited to attend a meeting at which the objects of the scheme were explained. They were thereafter requested to send their recommendations.

Seth Govinddas: Is it a fact, Sir, that the majority of the persons who have been appointed were persons who were not recommended by any social service institutions?

The Honourable Dr. John Matthai: That is not my information. As a matter of fact, in making these appointments the administrations were specially instructed to keep themselves in close and continual touch with the leading social service organisations of the area.

Seth Govinddas: Will Government make enquiries into the fact that these instructions were not followed by the authorities who made these appointments?

The Honourable Dr. John Matthai: I will certainly do that. At present these appointments are being made on a purely temporary and experimental basis and speaking for myself I am extremely anxious that the scheme should succeed and I am going therefore to institute an enquiry precisely on the lines of the Honourable Member's suggestion.

Mr. R. K. Sidhva: May I know whether the well-known social service organisation, the Hindustan Scouts Organisation was asked to recommend names.

The Honourable Dr. John Matthai: I presume they were asked to; but I cannot give an answer straightway.

Mr. R. K. Sidhva: The name of this organisation was not among the names of social service organisations—just now read out by the Honourable Minister—which were asked to recommend the names of candidates for appointment as Guides. For instance, he mentioned the Boy Scouts Association. Will he kindly ask the Hindustan Boy Scouts Organisation to recommend names.

The Honourable Dr. John Matthai: I will look into that.

Shrimati G. Durgabai: May I know from the Honourable the Railway Minister whether, in view of the importance of this service, Government would be pleased to invite applications from women who seek to serve in this new organisation?

The Honourable Dr. John Matthai: Well, I may tell the Honourable Member one reason why I did not instruct the railway administration to advertise these appointments, is that I want to get, if possible, the class of people who would bring into work of this kind an outlook entirely different from the usual official outlook.

Prof. N. G. Ranga: Were these people given any special training in order to make them fit for this particular work, or if they were not given, will they be given any such training?

The Honourable Dr. John Matthai: The Honourable Member is perfectly right. The question of training is vital and I am having that looked into.

Shrimati Renuka Ray: In view of the necessity of having women guides for third class women passengers not only in Delhi and the East Punjab, but throughout India, would the Honourable the Railway Minister consider the desirability of appointing such guides in all the important stations in India.

The Honourable Dr. John Matthai: That is our idea. As a matter of fact, the railway administrations have been instructed to appoint guides of this kind, and as far as my information at present goes, all the principal railways have made a beginning in this direction.

Seth Govinddas: Have Government instructed the different railways to see that persons who are appointed are recommended by some social service institutions.

The Honourable Dr. John Matthai: Yes, those are our definite instructions.

Shrimati G. Durgabai: May I know from the Honourable the Railway Minister whether Government will be pleased to consult the All-India Women's Conference and also the Kasturba National Trust who have got a number of women workers specially trained for social service.

The Honourable Dr. John Matthai: I am grateful for the Honourable Member's suggestion. I will certainly consult them.

POST OF DIRECTOR OF INDIAN FOREST EDUCATION AT DEHRA DUN

†973. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Agriculture be pleased to state when the post of the Director of Indian Forest Education at Dehra Dun was created?

(b) What is his grade?

(c) Was it a post created in addition to the posts of Principal of the Indian Forest College and the Director of the Indian Forest Rangers College at Dehra Dun?

(d) If so, what are the reasons for creating this additional post and do Government intend to continue this post?

The Honourable Shri Jairamdas Doulatram: The information is being collected and will be laid on the table of the House in due course.

TAKING OVER BY CENTRAL GOVERNMENT OF FOREST COLLEGE, COIMBATORE FROM MADRAS GOVERNMENT

†974. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Agriculture be pleased to state whether Government contemplate to take over the Forest College at Coimbatore from the Government of Madras?

(b) If so, what are the reasons therefor?

†Answer to this question laid on the table, the questioner having exhausted his quota.

The Honourable Shri Jairamdas Doulatram: (a) Government have decided to take over temporarily the Forest College at Coimbatore.

(b) The very large demand for Forestry training now cannot be met at Dehra Dun without substantial capital outlay in buildings and equipment while these facilities at Coimbatore are not fully utilised as a Provincial institute.

TRACTORS FOR AGRICULTURAL DEVELOPMENT OF COASTAL AREAS

975. *Shri Satis Chandra Samanta: (a) Will the Honourable Minister of Agriculture be pleased to state whether tractors have been tried in coastal areas for development of agriculture?

(b) If the answer to part (a) above be in the negative, what steps do Government propose to take for the development of such areas?

The Honourable Shri Jairamdas Doulatram: (a) and (b). Tractors can be used everywhere in India except in marshy or waterlogged land or for the cultivation of wet land rice. In the case of marshy or waterlogged lands tractors can be used after the lands have been properly drained.

Shri Satis Chandra Samanta: Is there any difference in produce?

The Honourable Shri Jairamdas Doulatram: It has not been properly experimented.

PREVIOUS AND FUTURE DATES FOR CATTLE CENSUS IN INDIA

976. *Shri Satis Chandra Samanta: Will the Honourable Minister of Agriculture be pleased to state:

(a) the year when the Cattle Census was held last; and

(b) the probable date for the next census?

The Honourable Shri Jairamdas Doulatram: (a) 1945.

(b) 1950.

TELEPHONE CONNECTIONS FOR RESIDENTIAL HOUSES IN CUTTACK

977. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that there is a great demand for telephone connections at Cuttack and that people are not getting them?

(b) Do Government propose to give telephone connections to the residential houses in Cuttack and if so, when?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) Yes; within a year, provided equipment is available.

TRAINING IN U. K. OF CERTAIN RAILWAY EMPLOYEES AS LABOUR OFFICERS

978. *Seth Govinddas: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that certain railway employees are sent to the United Kingdom for being trained as Labour Officers, under the scheme inaugurated by the Ministry of Labour?

(b) If so, what use, if any, has been made in the past, by the Railway of such persons after they were trained?

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

(b) After training, they are posted as Assistant Personnel Officers whose duties include *inter alia* the consideration of questions affecting labour and its welfare.

Seth Govinddas: Has any report been received by the Government as to the work which these persons have done after their return?

The Honourable Dr. John Matthai: So far I have seen the reports received I think they have been fairly satisfactory in their work. So far I think we have had about 4 people trained under this system since 1944. The first batch came back in 1946 and the second batch came back only last year. So it is a little too soon to judge the value of the work that they are doing at present.

Seth Govinddas: But as the first batch came about two years ago, is it not a fact that that batch has not shown any particular work which persons trained in India could not do?

The Honourable Dr. John Matthai: I forgot to tell the Honourable Member that most of the people who came back after training have opted for Pakistan and got away already.

Seth Govinddas: And how many of them are now working in Hindusthan?

The Honourable Dr. John Matthai: At present, as far as I can tell straightaway, there is only one person and the other three have gone to Pakistan.

Seth Govinddas: As far as that one person is concerned, has he done any particular work since he returned to India two years ago?

The Honourable Dr. John Matthai: It is a little too soon to tell.

Prof. N. G. Ranga: What work is expected of them?

The Honourable Dr. John Matthai: All kinds of problems arising in connection with industrial relations fall within their province.

Prof. N. G. Ranga: Are they expected to work as Labour Conciliation officers or anything of that sort on the Railways?

The Honourable Dr. John Matthai: They are not.

Seth Govinddas: Is there any particular technical training which was given to this person who is now working in Hindusthan and which could not be given in India?

The Honourable Dr. John Matthai: Well, the idea behind is this; it was initiated really in the Ministry of Labour. The whole idea was that in the matter of dealing with industrial relations probably people working here would get a better understanding of what is involved in it if they went to a country like the United Kingdom where it is done on a scientific basis.

CONSTRUCTION OF NEW LINE BETWEEN JAGDALPUR IN BASTER STATE AND RAIPUR STATION ON B. N. RAILWAY

†1979. ***Shri Ramprasad Potai:** (a) Will the Honourable Minister of Railways be pleased to state whether there is any proposal for the construction of a new Railway line connecting Jagdalpur in Baster State with Raipur Station on the Bengal Nagpore Railway?

(b) If so, has any survey for the same been made?

(c) When will the construction of the proposed Railway line begin?

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

(b) Yes.

(c) This project will be examined along with the Nagpur-Vizagapatam project which is now being surveyed, in order to determine the most advantageous alignment to develop the area. Government are, therefore, not in a position at this stage to state if the Raipur-Jagdalpur Railway will actually be constructed or when the construction will start.

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

INCOME FROM PARLAKIMEDI LIGHT RAILWAY AND CONVERSION INTO A BROAD GAUGE LINE

980. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Railways be pleased to state what is the income derived from the Parlakimedi Light Railway that is managed by the Bengal Nagpur Railway?

(b) How much will it cost on investment if the whole line is to be turned into a broad-gauge line?

(c) How much interest will it bring per year thereby?

(d) What are the quantities of food grains, oil seeds, and pulses that will be probably carried by the said broad-gauge railway and what will be their money value?

(e) Do Government propose to undertake the work of converting Parlakimedi Light Railway into a broad-gauge line during this year?

(f) If so, when and if not, why not?

The Honourable Dr. John Matthai: (a) The net earnings of the Parlakimedi Light Railway during 1946-47 were Rs. 21,000, the percentage return on capital being 0.88 per cent. only.

(b) The cost of converting the Narrow Gauge line into Broad Gauge, including the capital cost of the Narrow Gauge Railway, is estimated at Rs. 147.24 lakhs approximately.

(c) The Survey Reports are under examination but from information gathered so far the project is not likely to be remunerative.

(d) The Government are not in a position at this stage to furnish the figures asked for.

(e) No.

(f) It is not possible at this stage to state if the work of conversion of the Parlakimedi Light Railway would actually be taken in hand.

COLLECTION OF STATISTICS ON AGRICULTURAL PRODUCE IN PROVINCES

981. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that the Government of India have directed the collection of statistics on agricultural produces in the Provinces?

(b) If so, do Government contribute funds for this purpose?

(c) If so, what is the amount sanctioned for Orissa?

(d) What is the purpose of collecting such statistics?

The Honourable Shri Jairamdas Doulatram: (a) Yes.

(b) Yes.

(c) Rs. 2.7 lakhs in 1944-45, 3.46 lakhs in 1945-46 and 2.87 lakhs in 1946-47. From 1947-48 onwards the Orissa Government have included this scheme in their five year development plans.

(d) In view of the food shortage in the country and the need for scientific planning of agricultural production the Government of India considered it necessary to improve the method of collection of agricultural statistics.

IMPLEMENTATION OF CENTRAL PAY COMMISSION'S RECOMMENDATIONS IN RAILWAY AND STORES DISTRIBUTORS OF B. N. RAILWAY

982. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Railways be pleased to state whether the recommendations of the Central Pay Commission regarding the grades of pay for all categories of railway staff have since been implemented?

(b) Is it a fact that the Stores Distributors of the Bengal Nagpore Railway who were recommended a grade by the Central Pay Commission, have been debarred from it when all others throughout the country got it?

(c) Are Government aware of the discontentment on account of this discrimination?

(d) If so, do Government propose to take steps to rectify this?

The Honourable Dr. John Matthai: (a) Yes. Scales of pay under the Central Pay Commission's recommendations have been sanctioned for all railway staff other than skilled and unskilled artisan staff, some apprentices and some miscellaneous categories of subordinate staff whose case at present is under consideration.

(b) Stores Distributors not only of the Bengal Nagpur Railway but of all Indian Government Railways have been placed on the scales, Rs. 80—5—120—E.B.—3—160 and Rs. 55—3—85—E.B.—4—125—5—130. No specific scale of pay was recommended for Stores Distributors by the Central Pay Commission.

(c) and (d). Do not arise in view of the reply to (b).

IMPORT AND EXPORT OF RAW COTTON, CLOTH AND YARN BETWEEN INDIA AND PAKISTAN

983. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether the Government of Pakistan has imposed any duty on cotton exported to India? If so, is this imposition of duty in conformity with the terms of the Standstill Agreement entered into between the two Governments?

(b) What was the average quantity of raw cotton coming to the territories now comprised in the Indian Union from the Punjab and other parts of the country now included in the new State of Pakistan and what was the quantity of yarn and cloth exported to Pakistan from India?

(c) Has there been any talks between the two Governments in respect of the export and import trade in raw cotton, cloth and yarn between the two dominions? If so, with what result?

(d) What decision have the Government of India taken in respect of its future trade with Pakistan in the above-mentioned commodities, and what steps do Government propose to make India self-sufficient in raw cotton of the quality imported from Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: (a) An agreement has recently been concluded with the Government of Pakistan concerning supplies of cloth and cotton. Under that agreement the export of cotton from Pakistan and cotton textiles from India are subject to customs duties. The Standstill agreement as regards Indo-Pakistan trade terminated on the 29th February, 1948 and the imposition of the duties is in order.

(b) Before partition the territories now in the Indian Union used to get annually about 10 to 12 lakhs bales of cotton from the areas now forming part of Pakistan, and used to supply to those areas about 575,000 bales of cloth and yarn.

(c) The agreement already referred to provides that India will supply 12 bales of cloth and yarn in return for every 20 bales of cotton from Pakistan.

(d) The agreement referred to will last up to the end of August. Future trade with Pakistan in these commodities will form part of a general trade agreement which is proposed to be negotiated. The question of making India self-sufficient in raw cotton is under consideration by the Government of India.

**PRESIDENT OF CUTTACK CONSUMERS' ASSOCIATION, ORISSA TELEGRAM
re FIXATION OF PRICES OF PADDY**

934. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Food be pleased to state whether it is a fact that the President of the Cuttack Consumers' Association, Orissa had sent a telegram dated 15th January, 1948 to Government regarding the fixation of the price of paddy and rice in Orissa by the Government of Orissa?

(b) If the answer to part (a) above be in the affirmative, what action has been taken by Government on that telegram and a letter sent in confirmation thereof?

The Honourable Shri Jiramdas Doulatram: (a) Yes, Sir.

(b) An enquiry was made from the Orissa Government and I place on the table a press note, which fully explains the Orissa Government's point of view. The Government of India did not think that they should interfere with the increases in prices which have been allowed by the Provincial Government in this case.

PRESS NOTE

The Provincial Government by Notification No. 44463-ST, dated the 12th December 1947 has fixed the producers price for paddy and rice in the districts of Balasore, Cuttack Puri, Sambalpur and Ganjam at the following rates from the 16th December 1947 to 31st October 1948 or until further orders:

Coarse—Paddy		Rice		Fine—Paddy		Rice		Superfine—Paddy		Rice	
Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.	
6	8	0		11	6	0		7	0	0	
12	2	6		7	12	0		13	14	0	

The rates represent an increase in the price of coarse paddy of Rs. 2 per maund over last year's prices but only Re. 1-6-0 in fine paddy and Re. 1-2-0 in superfine paddy prices. The price differentials between coarse and fine and fine and superfine have been fixed this year more in consonance with trade practice in the past. The Provincial Government realise that the sudden jump of Rs. 2 in the price of coarse paddy is a serious increase to the poorer class of consumers. The prices so far prevalent in Orissa were fixed on the basis of certain freezing orders of the Government of India and were disadvantageous to the extent of about one rupee compared with the frozen prices in the areas of Madras and Bengal bordering us. This year Bengal and Madras have raised prices by Re. 1-4-0 and Re. 1-6-0 per maund of paddy on our borders. Parity prices are essential not only as a simple act of justice to our cultivators but also to prevent smuggling and upsetting of controlled distribution. The Provincial Government would have liked the general price level to have been stabilised at a lower figure all over this coast as being just both to the agriculturists as well as the consumers but have to stabilise the prices at the present level for the reasons stated above. The cultivators can co-operate to a large extent in making the effect of the rise less drastic on the poorer class of consumers by paying for all their labour in the rural areas in kind instead of trying to haggle for money rates in the expectation of slight profits on the margin. In the ultimate interest of rural economy they will be advised to pay all classes of such labour fair wages in kind and they will also be advised to maintain the rural prices for partial producers and non-producing consumers at a level close to the producers price which price is already high. The Provincial Government are also fully aware of their responsibility to see that the poorer consumers do not suffer. They are watching the situation and if local conditions warrant it they will be ready to issue Government stocks in rural areas at subsidised rates to prevent prices rising too high. They will also suitably subsidise issues to poorer wage earners including Government servants drawing low salaries in the town areas in order to minimise the effect of the price increase on the poorer consumers as much as possible.

Prof. N. G. Ranga: Is it not a fact, Sir, that the paddy and rice prices in Orissa are about the lowest in the whole of India?

The Honourable Shri Jairamdas Doulatram: That may be so.

FALL IN SUPPLY OF CAPITAL GOODS TO INDIA IN VIEW OF EUROPEAN RECOVERY PROGRAMME

985. *Shri Damodar Swarup Seth: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether the attention of Government has been drawn to Mr. Grió P.W.D. Costa's declaration in a joint meeting of the East India Association and the Overseas League that the supply of capital equipment for India is likely to fall due to the high priority to be given to the European recovery programme;

(b) whether it is a fact that steel, coal and transport therefor cannot be obtained under the Marshall Plan or otherwise; and

(c) what are the plans of Government to obtain an early supply of these articles?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) The Government are doing their best to import steel from the U.S.A. for India's urgent requirements.

There is no need to import coal, as the indigenous production can be increased to meet the growing demand.

The availability of rail transport largely depends on the supply position of steel and spare parts for the manufacture of locomotives and carriages and wagons. Requirements of motor transport are obtained through commercial channels.

(c) The Government are in close touch with the U.S.A. authorities through their Embassy here and the India Supply Mission in Washington, and are trying to obtain a reasonable allotment of steel.

No difficulty is anticipated in obtaining trucks from the dollar and non-dollar sources during this half year.

Besides improving rail transport, the Government propose to make increased use of road and water transport for the movement of raw materials and manufactured goods.

Prof. N. G. Ranga: Is the advisability, Sir, of getting this Marshall Plan extended to India in regard to Industries and Commerce being considered by the Department concerned or the whole of the Ministry?

The Honourable Dr. Syama Prasad Mookerjee: Yes, the Government is considering how to obtain facilities for capital goods.

Mr. S. V. Krishnamurthy Rao: Is Government aware that almost a similar statement as stated in this question was made recently in New Delhi by the Honourable Ambassador for U.S.A. in a lecture to the Indian Council of World Affairs?

The Honourable Dr. Syama Prasad Mookerjee: I saw reports in the newspapers.

STATES ISSUING THEIR OWN STAMPS AND KEEPING POST AND TELEGRAPH OFFICE CONTRARY TO INSTRUMENT OF ACCESSION

†986. *Dr. B. V. Keskar: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that though Posts and Telegraphs are a central subject and are recognised as such in the Instrument of Accession, they are under the control of the State authorities in a number of States?

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

(b) Is it a fact that contrary to the Instrument of Accession, a number of States are still permitted to issue their own postage stamps and have their own Post Offices?

(c) What are the States which control their own Post and Telegraph Offices and those which issue their own stamps?

(d) What steps do Government propose to take to bring all Post and Telegraph Offices under the control of the Government of India?

The Honourable Mr. Rafi Ahmed Kidwai: The question should have been addressed to the Honourable Minister of States. It has accordingly been transferred to the list of questions for the 5th April, 1948 for answer by the Honourable Minister of States.

CONSTRUCTION OF NEW AERODROMES IN HYDERABAD STATE WITHOUT CONSULTING GOVERNMENT OF INDIA

†987. ***Dr. B. V. Keskar:** (a) Will the Honourable Minister of Communications, be pleased to state whether it is a fact that the Government of Hyderabad are constructing new aerodromes without consulting the Government of India?

(b) Are the Government of Hyderabad permitted to do so under the Standstill Agreement?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). The question should be addressed to the Minister of States. It has now been transferred to the Ministry and will be replied to by the Honourable Minister for States on 5th April, 1948.

TRAFFIC BOTTLE-NECK ON LUCKNOW-KANPUR SECTION ON E. I. RAILWAY

†988. ***Dr. B. V. Keskar:** (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that there is a traffic bottle-neck on the Lucknow-Kanpore section of the East Indian Railway?

(b) Are Government aware that this is one of the most important sections in the United Provinces from every point of view for future development?

(c) What steps do Government propose to take to relieve this congestion by doubling the line or otherwise?

The Honourable Dr. John Matthai: (a), (b) and (c). There is adequate line capacity available on the metre and broad gauge lines for immediate and prospective demands. Partially to relieve the overcrowding in passenger trains, the O.T. Railway Katihar-Lucknow passenger trains are being extended to and from Kanpur, with effect from the 1st April, 1948. It is not possible at present further to augment passenger train services on this section on account of the shortage of rolling stock.

APPOINTMENT OF INDIAN COMPANIES AS TOURIST AGENTS

989. ***Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Railways be pleased to state whether the consideration of the question of appointing Indian companies as tourist agents, has been completed?

(b) If so, has any decision been taken and what are they?

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

(b) Government do not consider it in the public interests to extend the activities of Tourist Agents until the conditions of passenger traffic have become more normal.

Dr. P. S. Deshmukh: Is it a fact that there is hardly any Indian company doing this business? If so, will Government be prepared to encourage them to take up this job?

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

The Honourable Dr. John Matthai: That question was put to me during the last session, and I went into it with some care with a view to seeing that Indian interests get fair opportunities of sharing in this business. But on a general review of the whole position I have come to the conclusion that in the present conditions of traffic, when there is more traffic offering than the railways with their present equipment can carry, there is really no justification for encouraging the purchase of tickets through tourist agencies, which means that more traffic is attracted and at the same time the railways lose revenue by having to pay a commission. So the decision that I have come to for the time being is that with regard to those companies which are now on our approved list—most of them are international concerns—their activities should be confined to travel by non-nationals who are non-resident in the country. As far as nationals and non-nationals who are resident in this country are concerned, they must purchase their tickets in the usual way and not through tourist agencies.

Dr. P. S. Deshmukh: Is the Honourable Minister aware that we are also falling increasingly in line with other people in purchasing our tickets through travel agencies? So would there be any objection in some Indian company or concern shares the profits which are entirely the monopoly of outsiders here?

The Honourable Dr. John Matthai: What I tried to convey to the Honourable Member is the fact that at present when we have far more traffic offering than we can carry, the justification for this system of purchasing tickets through tourist agencies and the railways giving them a commission for that purpose ceases to exist.

Dr. P. S. Deshmukh: Is the Honourable Minister aware that his non-encouragement of the establishment of Indian travel bureaux is holding up progress in other means of travel such as sea-voyages, etc.?

Mr. Speaker: I am afraid the Honourable Member is entering into an argument.

Prof. N. G. Ranga: What percentage of fares is being paid by the railways to these tourist agencies?

The Honourable Dr. John Matthai: It goes up to 10 per cent. in certain cases.

Prof. N. G. Ranga: Have Government considered the advisability of opening more booking offices in big cities like this instead of allowing that income to these tourist agencies?

The Honourable Dr. John Matthai: That is precisely the direction in which I would like to move.

CONSIDERATION OF APPOINTMENT OF TOURIST-AGENTS BY COMMERCIAL COMMITTEE OF INDIAN RAILWAYS CONFERENCE ASSOCIATION

990. ***Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Railways be pleased to state whether the Commercial Committee of the Indian Railways Conference Association held any meeting in the month of July, 1947?

(b) Did this meeting consider the question of appointing tourist agents?

(c) Do Government propose to lay on table of the House a copy of the agenda on the subject of appointing tourist agents that was placed before this Conference?

The Honourable Dr. John Matthai: (a) No. But a meeting was held in October, 1947.

(b) Yes.

(c) It is not the practice of Government to publish the proceedings of purely departmental meetings.

FIXATION OF PRICES FOR STANDARD SIZED DAILY NEWSPAPER UNDER NEWS PRINT CONTROL ORDER, 1947

991. *Shri Sri Narayan Mahtha: Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that under the Newsprint Control Order, 1947, the maximum and minimum prices for standard-sized daily newspapers, which published less than 56 pages in a seven-day week, are fixed?

The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member is presumably referring to the Newsprint Control (No. 2) Order, 1947 which came into force with effect from the 3rd April, 1947 in supersession of the Newsprint Control Order, 1947. The answer is in the affirmative. Under clause 11 of the Newsprint Control (No. 2) Order, 1947 the maximum and minimum prices of standard sized daily newspapers publishing less than 56 pages in a seven day week are fixed.

Shri Sri Narayan Mahtha: Is it permissible under the Control Order for a standard size daily newspaper publishing 40 pages in a seven-day week to be sold for one anna per copy?

The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member may refer to rule 11.

Shri Deshbandhu Gupta: Is it intended to do away with the Control Order altogether?

The Honourable Dr. Syama Prasad Mookerjee: That is under consideration.

Prof. N. G. Ranga: How soon will Government come to a decision, in view of the fact that they have given this answer several times during the session?

The Honourable Dr. Syama Prasad Mookerjee: That shows that consideration is still continuing.

Shri Deshbandhu Gupta: Before cancelling the Newsprint Control Order, will Government take into account the difficulties of smaller newspapers in getting newsprint?

The Honourable Dr. Syama Prasad Mookerjee: I am expecting a memorandum on this subject from certain Honourable Members of this House including the questioner, which was promised a week ago.

SHUTTLE TRAIN BETWEEN DELHI AND ROHTAK SUSPENDED DURING COMMUNAL DISTURBANCES

992. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that a shuttle was running between Delhi and Rohtak before the 1st of September 1947?

(b) Is it also a fact that that shuttle was suspended due to disturbances in the area?

(c) If so, do Government propose to resume it and if not, why not?

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

(b) Yes.

(c) A shuttle Passenger train each way has been reintroduced between Delhi and Rohtak from the 20th March, 1948.

Shri Khurshed Lal: Have Government got under consideration the question of restoration of other lines which were discontinued?

The Honourable Dr. John Matthai: We are trying to reintroduce trains as quickly as possible, but we are limited by the shortage of rolling stock at present. We have introduced a considerable number of additional trains during the past three or four weeks.

TRANSPORT FACILITIES FOR Gur FROM STATIONS ON EAST PUNJAB RAILWAY TO STATIONS B.B. & C. I. RAILWAY

993. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that a large quantity of Gur is lying in the markets of Delhi Province and in Ambala Division, especially in Rohtak Mandi for want of transport facilities on the Railways?

(b) Is it a fact that the loading of Gur from the markets mentioned in part (a) above is closed to stations on the Bombay, Baroda and Central India Railway?

(c) Is it also a fact that a large proportion of Gur produced in the area mentioned in part (a) above used to be transported to stations on the Bombay, Baroda and Central India Railway?

(d) If so, do Government propose to provide special facilities for transport of Gur from the stations on the East Punjab Railway to the stations in Rajputana on the Bombay, Baroda and Central India Railway?

The Honourable Dr. John Matthai: (a) and (b). Yes, mainly because movement is required to stations on the B.B. and C.I. Railway, booking to which is at present limited.

(c) Yes, except during last year.

(d) Special arrangements for moving train loads of Gur sponsored by the Food Ministry, from stations on E.P. Railway to stations on B.B. and C.I. Railway have already been made. I understand the Food Ministry now have under consideration the sponsoring of additional movements from these particular areas.

RECRUITMENT TO POSTS OF CLERKS IN POSTS AND TELEGRAPHS DEPARTMENT IN EAST PUNJAB CIRCLE

994. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that the last competitive examination for recruitment of clerks in the Posts and Telegraphs Department was held in 1943 for the Punjab and North West Frontier Circle?

(b) Is it also a fact that only persons who came out successful in the competitive examination, were placed on the list of approved candidates, maintained for appointment as clerks?

(c) Is it also a fact that under the rules, the vacancies in the department are to be filled in from the candidates, who are on the approved list?

(d) Is it also a fact that several vacancies have been filled up permanently, by candidates, who have neither passed the competitive examinations nor were on the approved list, maintained under the rules in the East Punjab Circle?

(e) If the answers to parts (c) and (d) above are in the affirmative, do Government propose to reconsider the cases of those persons, who have been overlooked?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) and (c). No. Not after 1941.

(d) No.

(e) Does not arise.

IMPORTED FOOD GRAINS FROM FOREIGN LANDS LYING UNDISTRIBUTED

995. *Shri Ramnarayan Singh: Will the Honourable Minister of Food be pleased to state whether all the foodgrains hitherto purchased and imported from foreign lands, have been distributed and consumed and if not, how much is lying undistributed?

The Honourable Shri Jairamdas Doulatram: Between January and March, 1948 according to information available at present a total quantity of 886,000 tons of imported foodgrains will have arrived in India. The distribution of this total quantity is as follows:

(a) Deficit Provinces and States	738,000 tons.
(b) Exchange with other countries for rice	28,000 ..
(c) Earmarked for Central Government reserve	120,000 ..
Total	886,000 tons.

The Honourable Member will be interested to know the detailed mechanics of how imported foodgrains are received and are put into consumption. All imported foodgrains are received on account of the Central Government. On arrival at each port they are moved to the godowns. From the godowns the quantities are despatched to the various deficit Provinces and States against the year's basic plan allocations made to them. The Provinces and States use the quantities received by them for the purposes of distribution through their system of rationing or controlled distribution. Most of the grain which has so far arrived has already been despatched to the various consuming Provinces and States for consumption through their controlled channels of distribution. The quantity earmarked for Central Reserve will be reached by imports expected to arrive by 31st March, 1948. This quantity will be held in storage godowns by the Central Government to be utilised to meet further demands of Provinces and States towards their allocated quotas or for any special emergency demand. More imports will be arriving in the remaining portion of the year.

Prof. N. G. Ranga: In what centres have the Government of India got their central storage godowns?

The Honourable Shri Jairamdas Doulatram: We have some at Bombay, Calcutta and South India.

Shri Ramnarayan Singh: Does the Honourable Minister satisfy himself that whatever is given to the provinces is consumed by them?

The Honourable Shri Jairamdas Doulatram: Surely, Sir. If there is any complaint I am prepared to go into it.

Shri Ramnarayan Singh: Is the Honourable Minister aware that in certain parts of the country Jia and maize are lying undistributed and unconsumed?

The Honourable Shri Jairamdas Doulatram: I am not aware of it.

Shri S. V. Krishnamoorthy Rao: In view of the fact that Madras and Mysore are deficit provinces will the Central Government think of having a central godown in Madras?

The Honourable Shri Jairamdas Doulatram: Yes, we have it there.

BOOKING OF GOODS FROM DELHI RAILWAY STATION TO STATIONS ON O. T. RAILWAY via MORADABAD

996. ***Shri Ramnarayan Singh:** Will the Honourable Minister of Railways be pleased to state whether it is a fact that booking of all goods from Delhi Railway Station to stations on the Oudh and Tirhut Railway via Moradabad has been stopped for a year or so and if so, why?

The Honourable Dr. John Matthai: No. Booking was entirely stopped only during the period between 23rd of December, 1947 and 22nd of March, 1948.

DELAY IN PRINTING OF ASSEMBLY DEBATES

Dr. B. Pattabhi Sitaramayya: Now that we have finished a thousand questions in this term, may we request you to make available the printed answers to these questions whether the full reports are issued or not. The next question is an important one because it relates to the disappearance of 30 wagons of salt from Gorakhpur district.

Seth Govinddas: Are you aware that even the questions and answers of the last Session have not yet been supplied to members?

Mr. Speaker: I have already informed the members of the difficulties in the way. The matter rests with the Press and unless the House has its own press, the matter cannot be satisfactorily solved. The scheme is already there but it will naturally take some time to put it into force in view of the difficulties of obtaining machinery and having the necessary buildings.

However, I shall certainly consider the proposal which the Doctor has made and see what is possible. I do not promise anything. I will see what steps are possible to have the despatch of these answers expedited.

Prof. Shiban Lal Saksena: May I suggest that they be printed in the *Gazette of India*?

Mr. Speaker: That is not the publication of the House.

STARRED QUESTIONS AND ANSWERS—Contd.

(b) WRITTEN ANSWERS

DELAY IN DELIVERY OF SOME SALT WAGONS TO DISTRICT SUPPLY OFFICER, GORAKHPUR

997. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that thirty-two wagons of salt disappeared from the Gorakhpur Railway-yard in the first week of October, 1947 and were delivered to the District Supply Officer, Gorakhpur in February 1948?

(b) If so, has any inquiry been held by Government to find out the causes for this delay?

(c) What is the result of the inquiry?

(d) What action have Government taken against those who were responsible for the delay?

(e) What steps, if any, have been taken or do Government propose to take to prevent repetitions of such cases in future?

The Honourable Dr. John Matthai: (a) and (b). The thirty-two salt wagons to which reference has been made formed a part of three hundred and odd loaded wagons that the railway had been unable to connect with booking documents during the latter part of the year 1947. The wagons were stabled at Gorakhpur. In October, 1947, Gorakhpur Yard became badly congested and the unconnected wagons had consequently to be moved away to facilitate yard operation. Attempts were made to deliver the contents of the wagons by tracing the consignors and consignees. These having failed, the loads were offered to the District Supply Officer, Gorakhpur, to whom they were ultimately delivered. The delay in delivering the wagons was due to inability to identify the correct consignees. The wagons were not consigned to the District Supply Officer, Gorakhpur, and were made over to him only as a last resort to ensure the proper distribution of a commodity at the time in short supply.

(c) Does not arise.

(d) Does not arise.

(e) Steps have been and are being taken to strengthen the organisation with the object of ensuring that consignments are so handled that they are not disconnected from their booking documents. There are already signs of appreciable improvement in this respect.

CONSIGNMENTS OF FULL WAGON LOAD OF GOODS REACHING DELHI LATE FROM BOMBAY AND CALCUTTA

998. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Railways be pleased to state the number of consignments of full wagon load of goods which took more than one month to reach Delhi from Bombay and Calcutta respectively during the last six months?

(b) What is the number of consignments which had reached Delhi but instead of being delivered to the consignees, were despatched to other stations, by the railway staff?

The Honourable Dr. John Matthai: (a) 33 consignments of full wagon loads of goods from Bombay and 126 from Calcutta took more than one month to reach Delhi during the period 1st October, 1947 to 10th March, 1948.

(b) The information is being obtained and will be placed on the table of the House.

ENQUIRY INTO DELAYS IN TRANSIT OF GOODS TO DELHI FROM BOMBAY, MADRAS AND CALCUTTA

999. *Shri Deshbandhu Gupta: Will the Honourable Minister of Railways be pleased to state whether Government have considered the desirability of instituting an inquiry into the causes of extra-ordinary delays which occur in the transit of goods by goods trains to Delhi from port-towns like Calcutta, Bombay and Madras? If not, why not?

The Honourable Dr. John Matthai: No. Delays in transit to goods from Ports to Delhi during recent months were mainly due to the abnormal conditions obtaining in Delhi and surrounding areas, which had serious repercussions on railway operation. Congestion in Delhi resulted in wagons having to be stabled short of destination. Breaches on the Delhi-Ghaziabad section contributed to a difficult situation.

There has been marked improvement of late, and the position is kept continually under watch and is expected to return soon to normal.

REPRESENTATION BY POSTAL AND TELEGRAPH EMPLOYEES *re* ANOMALIES IN PAY COMMISSION'S RECOMMENDATIONS

1000. *Prof. N. G. Ranga: Will the Honourable Minister of Communications be pleased to state:

(a) whether any representations have been received from the postal and telegraph employees regarding the anomalies in the recommendations of the Pay Commission;

(b) if so, what the general nature of those representations is; and

(c) what action has been taken so far in this connection?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) and (c). A statement showing the main complaints regarding anomalies, and the action taken in the matter, is placed on the table of the House.

Statement showing Main Anomalies in regard to the Fixation of Pay represented by P. & T. Staff and Unions

<i>Anomalies</i>	<i>Action taken</i>
1. According to rule 10 of the Central Civil Services (Revision of Pay) Rules a junior official will in some cases draw more pay than his seniors after refixation of pay in the new scales and drawing the next increment.	The matter is under consideration.
2. <i>Fixation of pay of pre-1931 entrants.</i> According to the Central Civil Services (Revision of Pay) Rules there will be reduction in pay of these officials in some cases if they elect the prescribed scale.	Government have decided to remove the anomaly in this case and issued a press communique on the subject on 4-2-48. Formal orders will be issued shortly.
3. Fixation of pay of holders of "non-permanent posts" i.e., posts created as a temporary measure during war on inflated rates of pay. According to the rules there will be reduction in their pay in some cases when their pay is fixed in the prescribed scales.	In the Posts and Telegraphs Department there is only one class of officials falling under this category who will be adversely affected, i.e. Women telephone operators in Delhi appointed in the war-time scale of pay of 90-5-120. The cases of these officials is under consideration.
4. Fixation of pay of clerks of subordinate Posts & Telegraphs Offices who have been absorbed in the cadre of 1st Division Clerks in the Circle Offices. They may in some cases draw less pay in the 1st Division scale than they would have got if they had remained in the Posts & Telegraphs Offices.	Under consideration.
5. Postal signallers absorbed in the cadre of telegraphists may in some cases get less pay than they would have drawn had they remained as Postal signallers.	Under consideration.
6. Reduction of total emoluments of certain officials as a result of the withdrawal of the interim concessions like Good Conduct Pay etc.	Orders have issued protecting lower paid officials from loss of old emoluments upto a maximum of Rs. 100/- p.m. The question of including personnel pay under the Adjudicator's Award in "present pay" for fixation of pay in the prescribed scales under consideration.

PORTS TRUSTS IN INDIA

1001. *Prof. N. G. Ranga: Will the Honourable Minister of Transport be pleased to state:

- how many Port Trusts there are at present in India;
- how many of the Presidents of Port Trusts are Indians; and
- what control Government have over the Port Trusts?

The Honourable Dr. John Matthai: (a) Three Major Port Trusts including the Commissioners for the Port of Calcutta.

(b) Two.

(c) Government Control over the Ports Trusts is exercised as provided for in the Indian Ports Act, 1908, the Madras Port Act, 1905, the Bombay Port Trust Act, 1879 and the Calcutta Port Act, 1890.

ORGANISATION OF CO-OPERATIVE DRYING AND CURING OF FISH AND PROVISION FOR TRANSPORT FACILITIES

1002. *Prof. N. G. Ranga: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether any efforts are being made by Government to organise the co-operative drying and curing of fish at any centre in the east or west coasts of India;

(b) whether any efforts are being made to persuade the railways to provide the necessary special wagons for the conveyance of fish; and

(c) what action has been taken on the note sent by the Federation of Rural Peoples Organisations, on the need for organising the fishermen into co-operative societies and providing them with necessary credit and technical assistance?

The Honourable Shri Jairamdas Doulatram: (a) As the Honourable Member is aware, Fisheries is a Provincial subject. The Provincial and State Governments concerned have been requested to furnish the requisite information—which, when received, will be placed on the table of the House.

(b) The matter has been taken up by this Ministry with the Railway Board who have already issued instructions to the Railways for establishing contact with the Provincial Governments in order to ascertain their requirements of wagons for the transport of perishables including fish.

(c) The position in regard to the organisation of multi-purpose Co-operative Societies was discussed by the Fisheries Development Adviser to the Government of India with the federation in March, 1947. As Fisheries is a Provincial subject it was suggested that the Federation might address the Provincial Governments. Government would be glad to give such help in connection with the organisation of the Societies as may be possible when the Provincial Governments proposals in this regard are received.

EDITORIAL OF 'INDIAN SKY WAYS' re REPLACEMENT OF AIR CRAFT AND MODIFICATIONS IN DESIGNS OF U. S. A. AND WEST

1003. *Prof. N. G. Ranga: Will the Honourable Minister of Communications be pleased to state:

(a) whether the attention of Government has been drawn to the editorial of the "Indian Sky Ways" of February, 1948, in which it is stated that by the middle of 1950 Airline Operators "will have to give serious attention to replacement of air-craft and that extensive modifications have to be made in the available air-craft designs of the United States of America and the West"; and

(b) whether it is a fact that the sales representatives of the western manufacturers are not giving proper attention to such needed modifications?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) No. The manufacturers have sent technical representatives to India and have rendered valuable assistance in rectifying defects and incorporating any necessary modifications. Director General of Civil Aviation in India is also in constant communication with the manufacturers on such matters.

INCREASE IN EXPENDITURE ON INDIAN AGRICULTURAL RESEARCH INSTITUTE, DELHI

**1004. * { Shri S. V. Krishnamurthy Rao:
Shri R. R. Diwakar:**

(a) Will the Honourable Minister of Agriculture be pleased to state whether Government are aware that the annual expenditure on the Indian Agricultural Research Institute, Delhi has shot up from about 8 lakhs in 1941 to 12 lakhs in 1947?

(b) Have Government assessed the value of the performance of this Institute in terms of effective translation of results of research into actual practice?

(c) Does the Institute tackle problems arising out of the day-to-day needs of the Indian agriculturist, or follow lines of abstract research?

(d) Has the Institute, tackled the problems of waste of human manure, want of storage facilities for good and uniform seed, helplessness against pests and rodents in Indian villages?

(e) What are the channels through which results of research, which can bring immediate returns, are conveyed to the agriculturist in the village?

(f) Are such results published and popularised in all Indian languages in popular and non-technical phrase?

The Honourable Shri Jairamdas Doulatram: (a) The figures for expenditure are approximately correct, the revised estimates for 1946-47 being Rs. 11,23,100. The expenditure has not shot up suddenly. The annual average during 1940-41, 1941-42, 1942-43 roughly was Rs. 6,50,000, the annual average during 1943-44 and 1944-45 was Rs. 7,45,000. In 1945-46 it was Rs. 9,54,000. The rise in wages of labour, cost of laboratory equipment, concentrates and fodder mainly account for the increase. The gradual rise in expenditure generally has also been due to war and dearness allowance, expansion of post-graduate training from 24 to 100 students and extension of research to all branches of agriculture.

(b) Government are aware of the useful research work done at the Institute and the effect of the translation of its results in actual practice has been noticeable in—

(i) the development of certain pedigree cows whose milk yield now averages to about 20 lbs. per day,

(ii) the introduction of the famous Pusa wheat variety which covers by now over one-fifth of the entire area under wheat in India and which stands well against rust epidemic,

(iii) the use of improved variety of sugarcane for about 70 per cent. of the total sugarcane crop,

(iv) the successful combating of the locust pest during the last locust cycle and thus saving a good portion of the country's crop,

(v) the progressive control of certain other pests, specially of sugarcane and potatoes,

(vi) the breeding of new varieties of barley, pulses and oil seeds which are now under distribution.

These are some of the main gains of the research work done.

(c) The Institute tackles some of the fundamental scientific problems relating to the day to day needs of the Indian Agriculturist as has been indicated in the reply to part (b). All research may appear to be in a sense abstract but all progress depends on fundamental research. Government, however, feel that in view of the urgency of the problem of food self-sufficiency, the question of greater concentration on certain special schemes of research may have to be considered.

(d) The Institute carried on research work on a compact scheme for two years from 1945 to 1947, and has also published the valuable results of special research on storage and foodgrain pests and their control four years ago. The problems referred to in this part of the question are, however, problems not so much of research at the Institute as problems relating to steps to be taken by local governments and authorities to apply the results of research.

(e) and (f). The results of research work carried out at this Institute are at present conveyed to the people generally through publications and also articles in Indian journals, besides the published Annual Reports. These results are further published in non-technical language in the journal called 'Indian Farming' published by the Indian Council of Agricultural Research. Arrangement has been made by that organisation to publish Hindi issues of the Journal shortly under the name of *Kheti*. It is the function of the provincial and State governments to carry the results of research to the agriculturist in the village. But so far as the Central Government is concerned, it is realised that it may in the present conditions be desirable for it to take special steps in cooperation with provincial and State Governments further to popularise the results of research among the agriculturists.

BASIS FOR STARTING POST OFFICES AND BRANCH POST OFFICES IN VILLAGES

**1005 * { Shri S. V. Krishnamurthy Rao:
Shri R. R. Diwakar:**

(a) Will the Honourable Minister of Communications be pleased to state what is the basis on which new post-offices or branch post-offices are usually started in villages?

(b) Have Government any plan for extending postal facilities to every village with a population of about 500 or more?

(c) Do Government propose to consider the desirability of providing the facility of daily delivery of post to such villages?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). Government desire to open post offices, as a first step, in villages with a population of 2,000 or more. They may also be opened in a smaller village provided it is necessary in the interest of the general public. Where an office is not likely to pay its way, deficit to the extent of Rs. 500 a year is condoned. This limit is raised to Rs. 750 per annum when the new post office is for a village or group of villages having a total population of 2,000 or over and the villages are situated within a diameter of 4 miles and it is expected that the loss will be reduced to Rs. 600 within the first 6 months and to less than Rs. 500 at the end of the first year.

(c) Government's policy is to increase the frequency of delivery of mail to villages and to ensure that there is no village which is not visited by a Postman at least once a week.

**RAILWAY INTERSECTIONS ON PROVINCIAL ROAD NEAR BAREILLY AND
INCONVENIENCE TO ROAD TRAFFIC**

1006. *Shri Damodar Swarup Seth: Will the Honourable Minister of Railways be pleased to state:

(a) whether Government are aware that the Bareilly-Muttra provincial road is intersected on the southern border of the town of Bareilly by two Railway lines, i.e., the East Indian Railway and the Oudh and Tirhut Railway;

(b) what is the average number of trains which pass daily during the 24 hours (i) on the East Indian Railway (Broad gauge) and (ii) on the Oudh and Tirhut Railway metre gauge respectively over the points of intersection;

(c) what are the orders of the railway authorities concerned to the gate-keepers at the broad gauge and the metre gauge level crossings respectively, as to how long before the expected arrival of a train, the gate-keepers concerned should close the gate to road traffic;

(d) the aggregate amount of time for which (i) the broad gauge; and (ii) the metre gauge gates respectively, are kept normally closed during the 24 hours daily;

(e) the aggregate time during which the two gates are normally kept closed between 4 A.M. to 8 P.M. daily when the bulk of the road traffic passes along the provincial road at the points of intersection;

(f) whether Government are aware that inconvenience is caused to the public on account of the traffic along the Provincial road being held up at the level crossings; and

(b) 34 broad gauge trains and 24 metre gauge trains pass through this cross-the situation?

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

(b) 34 broad gauge trains and 24 metre gauge trains pass through this crossing daily.

(c) No specific time is laid down for the closing of the level crossing gates. The gatemen are required to see that the gates are closed only for the minimum time required to ensure the safety of road traffic.

(d) About 8 hours for B.G. trains and 3 hours for M.G. trains.

(e) About 4½ hours for B.G. trains and 2 hours for M.G. trains.

(f) Delays to road traffic with consequent inconvenience are unfortunately unavoidable.

(g) It is a matter for Provincial Government decision as to what should be done to remove an inconvenience which is being felt by road traffic.

TOTAL INVESTMENT IN INDIA UNDER 'INDUSTRIES' AND 'ESTATES' BY U. K. AND U. S. A.

1007. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and Supply be pleased to state the total investment in India under the heads of 'Industries' and 'Estates' made by the United Kingdom and the United States of America?

(b) Have Government sanctioned the so-called fifty-fifty agreement between Birlas and Nuffield and Tatas and Imperial Chemicals?

The Honourable Dr. Syama Prasad Mookerjee: (a) The information asked for is not readily available but is being collected.

(b) No, Sir.

REQUIREMENTS OF FOREST WEALTH OF INDIAN AND WOOD DISTILLATION INDUSTRY.

1008. *Diwan Chaman Lall: (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that there is only one Wood Distillation Factory in India?

(b) If so, what are the requirements of the forest wealth of India and how far the capacity of the Factory meets them?

(c) what steps do Government propose to take to expand the wood distillation industry to enable it to cope with the requirements of the country?

The Honourable Shri Jairamdas Doulatram: (a) There are at present three Wood-distillation (destructive distillation) factories in India, and a fourth one is being considered. They are as under:

(1) The Mysore Iron and Steel Works, Bhadravati, which produces charcoal by distillation for the manufacture of iron and steel by the Charcoal process. These works have been in existence for over 20 years.

(2) Kolhapur Wood Distillation, Kolhapur.

(3) Calcutta Wood Distillation Co., 11/4, Canal Circular Road, Calcutta. Started in 1946.

(4) The Bombay Government had under contemplation about a year ago the erection of a plant at Londa. The present position about this scheme is not known.

(b) Charcoal, the main product of wood distillation, is being manufactured all over the country in what are known as indigenous kilns. This charcoal is ordinarily presumed to meet the Indian requirements. The by-products, such as acetone, acetic acid and methyl alcohol, are all wasted and cannot be recovered when wood is burnt in indigenous kilns. In the factories named above these are recovered but are insufficient for the country's requirements.

(c) Destructive distillation of wood in India has not hitherto made much progress because of the following reasons:

(1) It requires a costly and cumbersome machinery for the recovery and refining of by-products.

(2) Enormous amount of Wood from suitable species is required to sustain a large factory. These supplies are difficult to maintain at reasonably low rates.

(3) The by-products, such as acetone, acetic acid and methyl alcohol, are now-a-days being manufactured more cheaply by synthetic processes.

For the above reasons large-scale Destructive distillation of wood with modern machinery is also going out of favour in foreign countries, and is being replaced by small continuous type of kiln which is more economic to run. This type of kiln is at present little known in India.

RESULTS OF RESEARCHES CONDUCTED BY INDIAN COUNCIL OF AGRICULTURAL
- RESEARCH

1009. *Shri Ramnarayan Singh: Will the Honourable Minister of Agriculture be pleased to state:

(a) what have been the important results of research conducted by the Indian Council of Agricultural Research during the past ten years;

(b) whether such results have been conveyed to the cultivators in the country and if so, in what way and with what effect; and

(c) what research is being carried on at present?

The Honourable Shri Jaramdas Doulatram: (a) A detailed summary of the important results achieved since the inception of the Indian Council of Agricultural Research including also the results for the past ten years was prepared last year. As no spare copies of the summary are available, it is being printed, and a copy will be placed on the table as soon as printed copies are available.

(b) The results achieved are communicated to the Provincial Governments who are expected to bring the result of the research work sponsored by the Council to the knowledge of the cultivators. The results are also published in the Journals of the Council from time to time. Government are not satisfied that full use of the results of research is being made. Government are considering suitable steps to remedy the state of things.

(c) Attention is invited to the list of current research schemes financed by the Indian Council of Agricultural Research which was placed on the table of the House in reply to Starred Question No. 680 by Dr. V. Subramaniam on 10th March, 1948.

TRACTORS IN USE IN VARIOUS PROVINCES FOR AGRICULTURAL DEVELOPMENT

1010. *Shri Ramnarayan Singh: Will the Honourable Minister of Agriculture be pleased to state:

(a) how many tractors are being at present used in the several provinces of the country for the development of agriculture;

(b) whether it is a fact that fifty tractors as reported in the *Hindustan Times*, dated the 10th March, 1948 are working at one place in the United Provinces and if so, whether they are Government or private tractors;

(c) how many tractors are being used in Bihar?

(d) whether there are any tractors in the possession of the Government of India, and if so, where they are being used; and

(e) how many tractors are expected to arrive in the country within the next six months and to which provinces are they being allotted?

The Honourable Shri Jairamdas Doulatram: (a) The information available with the Government of India as to the number of tractors at present used in the several provinces of the country is as follows:

Orissa..... 1
Madras..... 95

all owned by the Provincial Government.
No information is at present available about the number of tractors owned by private parties.

Bombay..... 84
United Provinces..... 40
Assam 4
West Bengal..... 4
C. P. and Berar..... 11

of which 4 are owned by Government and the rest by private parties.

239

Information from other provinces is awaited and will be placed on the table when available.

(b) The tractors working in the Jhansi Division of United Provinces mostly belong to the Government of India. Not fifty but 43 tractors are working there in the Jhansi Division of the United Provinces. Of these 32 belong to the Government of India and the rest to the Provincial Government.

(c) Full information is not yet available.

(d) 202 tractors are owned by the Government of India at present. All these 202 were acquired from Army Disposals, 131 have been completely rehabilitated and are fit for use. These tractors are employed as follows:

(1) For Land Reclamation work, in the United Provinces:

Meerut (Ganga Kadar).	17
Naini Tal (Terai)	18
Jhansi (Lalitpur)	32

In the Central Provinces:

Saugor (Khuraj)	32
-----------------	----

(2) For training purposes in the Central Tractor Organisation. 7

(3) For mechanical cultivation in the United Provinces. 10

(4) For C. P. W. D. 3

(5) Reserve 2

(e) It is not possible to say how many tractors will be received on private account within the next six months. On Government account, however, 440 tractors have been ordered for early delivery. It is expected that quite a good number of these will arrive within the next six months. The distribution of these tractors to provinces has yet to be finalised. The programme of making India self-sufficient in regard to food and the readiness of provincial plans for immediate implementing will be among the guiding principles in determining the final distribution.

PROPOSED VILLAGE POST OFFICES IN DISTRICTS OF RANCHI, PALAM, SINGHBHUM AND MANBHUM.

1011. *Shri Ramnarayan Singh: Will the Honourable Minister of Communications be pleased to state the number and names of village post offices proposed to be opened in the districts of Ranchi, Palam, Singhbhum and Manbhum in the year 1948-49 and also whether any financial aid has been demanded from the people of the villages concerned?

The Honourable Mr. Rafi Ahmed Kidwai: A statement furnishing the required information in respect of proposals that have so far come up for examination for the year 1948-49 is laid on the table of the House.

Statement

Showing the number and names of new village post offices proposals for the opening of which during the year 1948-49 have so far come up for examination, including one case in which local people have been asked if they are interested in furnishing financial aid.

- (1) *Ranchi District*.—(i) Bargaon, (ii) Barendra, (iii) Pithoria, (iv) Mamarla, and (v) Phudi.
- (2) *Palamau District*.—(i) Kusa, (ii) Untari Road. (local people have been asked if they are willing to pay a contribution of Rs. 98-8-0 for one year for the maintenance of the proposed experimental post office. This is the amount by which the estimated loss in working the office for one year exceeds Rs. 500 which is the permissible annual loss in such cases), (iii) Karkata.
- (3) *Singbhum District*.—Kudlung.
- (4) *Manbhum District*.—(i) Lodna, (ii) Ekra, (iii) Jamadoba, (iv) Jitpur, (v) Salanpur, (vi) Kirkend, (vii) Kustore, (viii) Dhansar, (ix) Sindri, (x) Kesbargarh, (xi) Parbelia, (xii) Saltore, (xiii) Jituguri, and (xiv) Ramchandrapur.

1012. * [Withdrawn.]

IMPORT OF DRY FRUITS FROM PAKISTAN AND OTHER COMMODITIES

1013. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Food be pleased to state whether India is self sufficient in dry fruits?

(b) What are the countries exporting dry fruits to India?

(c) Is it a fact that most of the dry fruits come from Pakistan?

(d) If the answer to part (c) above be in the affirmative, has any agreement been reached between India and Pakistan as regards the import of dry fruits?

(e) Are any individuals permitted to import them from Pakistan?

The Honourable Shri Jairamdas Doulatram: (a) No.

(b) The main exporting countries from which India obtains dry fruits are: Bahrein Islands, Kenya Colony, Italy, Greece, Turkey, Muskat and Trucial Owen, Other Arab States, Iraq, Iran, Portuguese East Africa, Afghanistan, and Pakistan.

(c) Exact figures are not available but considerable quantities of dry fruits are imported from West Punjab, N.W.F.P. and Baluchistan.

(d) Until March, 1948 there were no legal restrictions on the export from Pakistan or import into India of dry fruits. Now, so far as the imports of dry fruits into India are concerned, such imports are permitted on a General Open Licence which means that any individual who wants to import dry fruits from Pakistan to India is allowed to do so and is given the necessary permit. So far as exports from Pakistan to India are concerned, it is understood that though the Pakistan Government have adopted a system of export permits, their general policy is to issue export permit to whoever desires to export dry fruits from Pakistan to India. It is not therefore considered necessary to have a separate agreement with Pakistan on this subject at this stage.

(e) Yes, as explained in (d).

DELAY IN DELIVERY OF AIR MAIL LETTERS FROM INDIA IN FAR EAST COUNTRIES

1014. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that Air-Mail letters posted in India are not reaching Indo-China, Burma, Malaya, Singapore and Indonesia in time?

(b) What is the normal time taken for an air-mail letter to reach these countries?

(c) Have Government received any representation from any Indians living in these countries to this effect?

(d) What steps do Government propose to take to arrange for the regular delivery of letters to Indians in the Far-East countries?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Government have no such information.

(b) A statement containing the required information as far as is available is laid on the table of the House.

(c) No.

(d) Does not arise.

Statement

Showing the normal transit time for air mail letters to certain foreign countries from the place they leave India by air.

- (1) *Burma.*—Air mails despatched from Calcutta reach Rangoon the same day, except on Sundays when there is no service.
- (2) *India-China.*—Air mails are routed through Rangoon, to which place they are carried by air every morning, except on Sundays, taking about 3½ hours in flight from Calcutta, where outward air mails for Rangoon are collected. Information in regard to the time taken in air transit onward from Rangoon to Indo-China is not available, but it is being collected, from the Foreign Administrations concerned.
- (3) *Malaya.*—Air mails reach Malaya on the day following their despatch from Calcutta which is the centre for despatch of air mails for all countries in the East.
- (4) *Singapore.*—Same as for Malaya.
- (5) *Indonesia.*—Air mails are due to reach Indonesia on the third day of their despatch from Calcutta.

PRINCIPLES GOVERNING THE WORK OF RESERVE FUND AND BETTERMENT FUND

1015. ***Shri Upendranath Barman:** Will the Honourable Minister of Railways be pleased to state:

(a) the principle under which the Reserve Fund and Betterment Fund work;

(b) the rule that guides the augmentation of, and disbursement from, the said two funds; and if there be no definite rule, the reason therefor; and

(c) whether Government propose to consider the desirability of relieving the Railway Administration from its position of continued indebtedness; and if so, by what suitable method?

The Honourable Dr. John Matthai: (a) and (b). The Honourable Member's attention is invited to the Resolution of the Legislative Assembly of the 20th September, 1924 regarding the Railway Reserve Fund and to the Proceedings of the Standing Finance Committee for Railways of the 16th February and 18th July, 1946 regarding the Betterment Fund.

(c) The Railways have not been in a state of continued indebtedness. The question, therefore, does not arise.

IMPLEMENTATION OF THE REPORT OF CENTRAL LAND UTILISATION SUB-COMMITTEE

1016. *Shri Upendranath Barman: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether the report of the Central Land Utilization Sub-Committee submitted in the year 1945 by the Chairman, Shri N. Gopaldaswami Ayyangar, has since been acted upon;

(b) whether the Indian Council of Land Utilization (Advisory Council and Executive Board) has been constituted, as recommended by the Ayyangar Committee; and if so, who are the personnel; and

(c) if the answer to part (a) above be in the negative, why they have not been acted upon?

The Honourable Shri Jairamdas Doulatram: (a) and (b). No.

(c) The Ayyangar Committee, while dealing with the problem of Soil Conservation, has submitted a report, which was too extensive and the scope of the Indian Council of the Land Utilisation (Advisory Council and Executive Board) as envisaged by the Ayyangar Committee, was regarded as too wide, including as it did the major activities of the three Ministries of Agriculture, Works, Mines and Power and Transport (Roads).

It is obvious, that such an ambitious programme could not be given practical shape, in view of the day-to-day political developments. The whole scheme has had to be reconsidered afresh, in the light of the constitutional changes, and a proposal for the formation of a Central Soil Conservation and Land Utilisation Bureau under the Agriculture Ministry is under discussion.

CULTIVATED AREA AND CULTIVABLE WASTE IN BENGAL AND IN EAST BENGAL

1017. *Shri Upendranath Barman: Will the Honourable Minister of Agriculture be pleased to lay on the table of the House a statement showing the following particulars district-wise:

(a) the average cultivated area and the average area of cultivable waste in the Province of Bengal, before it was partitioned;

(b) the average cultivated area and the average area of cultivable waste in the Province of West Bengal, after Bengal was partitioned; and

(c) whether any classification of cultivable waste has been made according to agricultural, pasture and forest possibilities? If so, what are the figures under each head?

The Honourable Shri Jairamdas Doulatram: (a) and (b). Statements showing the average cultivated area and the average area of cultivable waste in the Province of Bengal before it was partitioned and in the Province of West Bengal respectively are placed on the table.

(c) "Culturable but not yet cultivated land" in Bengal (undivided) has been classified, under the heads "Culturable waste", "Grazing ground" and "Jungles", etc., in the Report on "Agricultural Statistics by Plot to Plot Enumeration in Bengal, 1944-45". A statement showing district-wise area under the above-mentioned different heads in the Province of Bengal before it was partitioned is placed on the table. The Government of West Bengal has since the partition undertaken a survey of the area of culturable waste but its results are not yet published.

*Average cultivated area and average area of cultivable waste in the Province of
West Bengal*

(Figures in acres)

District	Net cultivated area		Area of cultivable waste*	
	Normal (average 1936-37 to 1938-39)	Average 1943-44 to 1945-46	Normal (average 1936-37 to 1938-39)	Average 1943-44 to 1945-46
1. Bankura	631,867	644,700	183,316	321,763
2. Birbhum	667,733	714,100	139,281	117,199
3. Burdwan	578,000	859,400	242,408	208,02
4. Darjeeling	187,000	184,433	45,407	3,210
5. Hoogly	301,467	403,900	68,613	66,629
6. Howrah	105,067	219,933	90,600	18,319
7. Midnapore	1,658,833	1,812,467	884,390	482,661
8. 24-Parganas	842,233	1,273,900	449,721	
9. Murshidabad	866,267	927,333	99,634	157,067
10. Dinajpur	463,307	659,620	104,153	111,172
11. Jalpaiguri	608,320	658,064	260,830	255,306
12. Malda	311,337	662,690	219,847	81,741
13. Nadia	500,938	620,860	176,101	143,418
14. Jeasore	87,058	137,892	22,882	33,389
Total	7,809,427	9,779,292	2,977,183	2,218,194

*Figures of cultivable waste in the strict sense are not available. The area given above represents all uncultivated land, other than that included in the heads "Forests", "Area not available for cultivation" and "Current fallows". It is not possible to specify accurately as to how much of this area may be regarded as really fit for cultivation.

STARRED QUESTIONS AND ANSWERS

Area of "Culturable but not yet cultivated land" in undivided Bengal (Darjeeling and Chittagong Hill Tracts) during 1944-45 as class in Ishague Report under "culturable waste", "Grazing ground" and "jungles."

(Acres)

District	Culturable waste	Grazing ground
24 Parganas	141,069	844
Nadia	213,708	1,352
Murshidabad	116,197	6,815
Jessore	188,496	2,149
Khulna	112,361	7,438
Burdwan	127,145	19,006
Birbhum	81,615	6,933
Bankura	227,032	11,119
Midnapore	277,010	33,572
Hoogly	34,853	2,837
Howrah	12,057	190
Rajshahi	84,977	5,377
Dinajpur	175,283	23,077
Jalpaigari	137,002	42,367
Rangpur	107,863	20,442
Bogra	21,393	2,123
Pabna	75,138	2,079
Malda	76,252	4,852
Dacca	39,894	14,144
Mymensingh	216,061	38,531
Faridpur	103,623	3,328
Bakarganj	64,550	33,762
Chittagong	57,583	3,463
Tippura	29,676	10,824
Noakhali	47,921	21,594
Total	2,768,759	317,219

*Average cultivated area and average area of cultivab
Province of Bengal, before partition*

District	Net cultivated area	
	Normal (average 1936-37 to 1938-39)	Average 1943-44 to 1945-46
1. 24 Parganas	842,233	1,273,900
2. Nadia	945,167	1,171,433
3. Murshidabad	866,267	927,333
4. Jessore	791,433	1,253,567
5. Khulna	810,833	1,172,567
6. Burdwan	578,000	859,400
7. Birbhum	667,733	714,100
8. Bankura	631,867	644,700
9. Midnapore	1,658,833	1,812,467
10. Hoogly	301,467	403,900
11. Howrah	105,067	219,933
12. Rajshahi	97,067	1,190,667
13. Dinajpur	1,187,967	1,691,333
14. Jalpaiguri	760,400	822,567
15. Darjeeling	187,000	184,433
16. Rangpur	1,757,767	1,670,533
17. Bogra	558,900	760,300
18. Pabna	928,367	834,833
19. Malda	444,767	946,700
20. Dacca	1,436,567	1,333,067
21. Mymensingh	2,425,400	2,871,400
22. Faridpur	1,414,633	1,136,933
23. Bakarganj	1,617,933	1,625,333
24. Chittagong	654,800	730,933
25. Tippera	1,146,000	1,275,833
26. Noakhali	740,433	679,367
27. Chittagong Hill Tracts	208,600	263,200
Total	24,641,500	28,470,732

* Figures of cultivable waste in the strict sense are not above represents all uncultivated land, other than that included Area not available for cultivation", and "current fallows". I accurately as so how much of this area may be regarded as really

TELEPHONE COMPANIES IN INDIA TAKEN OVER BY GOVERNMENT

1018. *Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Communications be pleased to state the names of private Telephone Companies in India which have been taken over by Government?

(b) What was the basis on which the price and/or compensation to be paid to the respective private companies, were calculated?

(c) What is the capital outlay of Government on the Bombay and Calcutta Telephone Companies?

(d) Has there been improvement in earnings since Government took over the Calcutta and Bombay Telephone Companies? If so, to what extent?

(e) If not, what are the reasons for the fall in the earnings?

The Honourable Mr. Rafi Ahmed Kidwai: (a) (i) Bombay Telephone Company Ltd.

(ii) Madras Telephone Company Ltd.

(iii) Bengal Telephone Corporation Ltd.

(b) The Compensation paid to the three Companies mentioned in the reply to part (a) of this question was calculated on the basis of the then market value of the assets acquired by Government after making due allowance for depreciation, etc.

(c) (i) Bombay—Rs. 3,47,93,604.

(ii) Calcutta—Rs. 1,55,07,779.

(d) Yes. The total earnings in the case of Bombay which were Rs. 75,60,000 in 1942-43 went upto Rs. 1,12,94,688 in 1946-47. In the case of Calcutta, the total earnings which were approximately about Rs. 58 lacs in 1942-43 went upto Rs. 1,03,16,267 in 1946-47.

(e) Does not arise.

BASIS FOR FIXATION OF TRUNK TELEPHONE CHARGES

1019. *Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Communications be pleased to state the basis on which Trunk Telephone charges are fixed?

(b) How do these charges compare with those in the United Kingdom, the United States of America, Japan and the U.S.S.R.?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Trunk call charges are fixed by radial distance. The rate is related to several factors such as cost of the service, the capacity of the traffic to bear it and the financial position of the Department.

(b) A statement comparing trunk call charges in the United Kingdom and the United States of America with those in India is laid on the table of the House. Information in respect of the U.S.S.R. and Japan is not available.

Statement showing comparison of some typical trunk call charges during day time in India, U.S.A., and U.K.

Showing comparison of some typical trunk call charges during day time in India, U.S.A., and U.K.

	India	United Kingdom	U. S. A.
	(From 1-4-48)		
Miles	Rs. A. P.		
15	0 10 0	10 d (9 annas)	15 Cents (8 annas)
25	0 10 0	1 sh 2 d (12½ annas)	25 Cents (13 annas)
50	1 3 0	1 sh 10 d (Rs. 1/3-¼)	40 Cents (Rs. 1/5)
75	1 13 0	2 sh 3 d (Rs. 1/8)	45 Cents (Rs. 1/8)
100	2 6 0	3 sh 0 d (Rs. 2/-)	55 Cents (Rs. 1/13)
125	2 13 0	3 sh 0 d (Rs. 2/-)	60 Cents (Rs. 2/-)
150	3 13 0	3 sh 9 d (Rs. 2/8)	70 Cents (Rs. 2/1)

N. B. The unit period for a call is 3 minutes in the United Kingdom and India; but in the U. S. A. it differs according to the rate. Where the charge is 15 cents, the initial unit period is 5 minutes, subsequent unit being 2 minutes. Where the charge is over 25 cents, the initial period is 3 minutes, subsequent period being 1 minute.

POLICY *re* ENCOURAGEMENT TO VEGETABLE PRODUCT INDUSTRY.

1020. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Food be pleased to state, the policy of Government in encouraging vegetable product industry (i.e., Vanaspathi, Dalda, etc.)?

(b) Have Government given any encouragement for investment of money in that industry?

(c) Is the increase in the excise duty on vegetable product, a restrictive duty?

The Honourable Shri Jairamdas Doulatram: (a) The present policy of Government as announced by Dr. Rajendra Prasad on the floor of the Assembly last year is not to encourage Vanaspathi production and not to allow any further increase in capacity beyond what was already taken place or to which Government are really committed.

(b) Government helped some new factories with priorities for controlled material and with import licences but otherwise they have not made any direct commitments to investors in these concerns.

(c) No. The excise duty on Vanaspathi is a revenue duty.

REPRESENTATION BY EAST PUNJAB RAILWAY EMPLOYEES *re* USE OF KHADDI UNIFORM IN PLACE OF MILL-MADE CLOTH.

1021. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Railways be pleased to state whether Government have received any representation from persons, serving on the East Punjab Railway to allow them to wear pure khaddi uniforms of the same pattern and colour prescribed for them under the rules, in place of mill-made cloth?

(b) If so, have they been allowed to wear khaddi clothes? If not, why not?

The Honourable Dr. John Matthai: (a) No such representation has been received from the employees of the E.P. Railway.

(b) Does not arise.

POLICY re UTILISATION OF FOREIGN CAPITAL FOR DEVELOPMENT OF INDIAN INDUSTRIES

1022. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and Supply be pleased to state the policy of Government in the matter of utilising foreign capital in developing our industries?

(b) Are any concessions being offered to firms in the United Kingdom and the United States of America to develop industries in India?

The Honourable Dr. Syama Prasad Mookerjee: (a) A statement of Government's Industrial Policy which will cover this point also is expected to be issued within the next few days.

(b) No, Sir.

STRATEGIC RAILWAY LINES AND HIGHWAYS ALONG INDIA'S BORDERS IN VIEW OF PARTITION

**1023 * { Shri R. R. Diwakar:
Shri S. V. Krishnamurthy Rao:**

(a) Will the Honourable Minister of Railways be pleased to state whether, in view of the partition of India, that was effected on 15th August, 1947 Government have planned strategic railway lines and highways along the borders of India?

(b) If so, how far are the plans complete?

(c) What is the estimated capital outlay?

(d) Has any actual construction begun?

(e) Are Government aware that recently some raiders from Pakistan were reported to have penetrated into Jaisalmere on the North-Western borders of India?

(f) Is there any railway line or highway to Jaisalmere, which is strategically useful?

(g) Are Government further aware that a railway line from Kalyat in the North can be brought up to Siddpur along the Indian borders for defence purposes?

(h) Has any survey been made? - If not, is it contemplated?

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

(b), (c) and (d). It would not be in the public interest to disclose this information.

(e) Yes.

(f) Jaisalmere is not situated on a rail route but is connected by motorable roads with Barmar and Phalodi on the Jodhpur Railway and also with Bikaner.

(g) Yes.

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

AGREEMENT WITH JAPAN FOR EXCHANGE OF SPINDLES WITH INDIAN COAL

1024. *Shri Jaspat Roy Kapoor: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether any agreement has been made or is proposed to be made with Japan for the purchase of spindles in exchange for coal, and if so, what is the number of such spindles?

(b) How are these spindles proposed to be distributed?

The Honourable Dr. Syama Prasad Mookerjee: (a) Negotiations have been completed with Japan for the supply of 1 lakh spindles in exchange for 30,000 tons of coking coal.

(b) Government addressed all the industrialists who had been given licences to erect new mills, informing them of the availability of the spindles, and asking them if they wished to take them. The spindles will be allotted to those firms who wish to place firm orders.

UNSTARRED QUESTION AND ANSWER

VARIOUS CATEGORIES OF RAILWAY SERVICES IN ACCORDANCE WITH PAY, DEARNESS, ALLOWANCE, ETC.

6. Dr. P. S. Deshmukh: Will the Honourable Minister of Railways be pleased to lay on the table of the House a statement showing:

(a) categories into which various kinds of railway services are divided with the maximum and minimum scales of pay and dearness allowance of each, at present;

(b) what were these categories and their scales in 1938-39, 1941-42, 1945-46, 1946-47 and 1947-48;

(c) the present strength of the personnel in each category in each Indian Railway;

(d) what their strength was in 1938-39, 1941-42, 1945-46, 1946-47 and 1947-48; and

(e) what were the maximum and minimum number of persons employed by the various railways in India during 1938-39, 1941-42, 1945-46, 1946-47 and 1947-48?

The Honourable Dr. John Matthai: (a) and (b). The Honourable Member is presumably referring to the non-gazetted services. The various categories in these services and their former and present scales of pay and the rates of dearness allowance are given in the rules and annexures to the Ministry of Railways †Notification No. E47C.P.C./Rules, dated 1st November, 1947, a copy of which is laid on the table of the House. There were no changes in the categories or in scales of pay in the various years referred to, except in the year 1947.

(c) to (e). Statistics regarding the number of staff employed on the Indian Government Railways are given in Appendices C.I, C.II and C.III of Volume II of the Reports by the Railway Board published every year, copies of which are available in the library of the House. As regards detailed figures in respect of the strength of the personnel in each category and on each railway and the maximum and minimum number of staff employed in each year, Government regret they cannot undertake to collect the information as the time and the labour involved will in their view be incommensurate with the value of the results obtained.

† Not printed in the day's Debates. A copy has been placed in the Library of the House.—*Ed. of D.*

STATEMENT OF POLICY re EX-INDIAN NATIONAL ARMY PERSONNEL

The Honourable Pandit Jawaharlal Nehru (Prime Minister and Leader of the House): Sir, I crave leave of the House to make a statement of Government's policy in regard to the ex-Indian National Army Personnel. I regret the delay that has taken place in this matter because both this House and the country are interested in this question. Indeed, that interest has been evinced on many occasions in this House. Many of us in our personal and individual capacities have, in the course of the last two years and more, been associated with an attempt to give some relief and occupation to some of this personnel. But the House will remember what has happened during these last one and a half years. It was originally viewed from the particular point of view before this Government came into existence. Then there was a kind of mixed Government and there were other difficulties. We might have viewed it and we should have viewed it after the 15th August, from an entirely different viewpoint and come to such decisions as we thought fit and proper. But from the 15th August or thereabouts and onwards all manner of upheavals have taken place in the country which delayed the consideration of the most vital problems. Hence this delay. Among the other things that have happened since the 15th August, is the fact that the Indian National Army itself—the ex-Indian National Army personnel—has been split up into those that might be considered to belong to India and those that might be considered to belong to Pakistan. Now, obviously, any statement of Government policy that I might make applies only to those who belong to India and not to those who now belong to Pakistan.

I shall now read the statement of policy.

“Government have given earnest consideration to the cases of ex-I.N.A. personnel, both officers and other ranks. These cases were considered by the previous Government over two years ago. It was then decided that I.N.A. personnel should be divided into three categories: White, Grey and Black, and that certain steps should be taken in regard to the three categories. ‘Whites’ were permitted to remain in service. ‘Greys’ were discharged, and the ‘Blacks’ dismissed and/or convicted.

“The new Government brought a fresh view point to bear on the whole question so that no stigma should attach to anyone by virtue of the fact that he was a member of the I.N.A. Immediately on the Government assuming office in August last, officers and men who had been convicted and imprisoned were released. Government have now considered other aspects of the matter. They have come to the conclusion that orders of dismissal passed on I.N.A. personnel should be set aside and replaced by orders of discharge from the Army, so that no stigma should attach to the members of the I.N.A. The result will be that the previous classification will not hold good any longer and will not be a bar for service of the State in any capacity. Whether any person should be employed *de novo* would be judged on individual merit and suitability.

“The question of reinstatement in the Army of the I.N.A. personnel is full of difficulty. In the normal course, a large number of these members of the I.N.A. would have been out of the army for many years and there has been a long break in service. They have thus got out of touch with the Army and any attempt to reinstate them would lead to many complications, both practical and psychological. At a time when the Army has been exposed to considerable stress and strain, consequent on its reorganisation after partition, the unity of the Army, which is so essential, might be affected. Government have therefore come to the conclusion that ex-I.N.A. officers and men should not be reinstated in the Army.

“Government are however anxious to afford ex-I.N.A. personnel opportunities of service. It will be open to them to join the Home Guards, the State Forces,

[Pandit Jawaharlal Nehru]

the Armed Constabulary, the Police and like Services as well as the Civil Services, subject always to merit and suitability. The Central Government and the Provincial Governments will give every help to them to find such employment.

"The financial loss which the ex-I.N.A. personnel have suffered is not easy of assessment. While serving overseas our Armed Forces were a charge on the Government of the United Kingdom. Family allotments continued to be paid in India. A large measure of support was also obtained from public funds.

"Government however realise the hardships which the I.N.A. personnel have suffered. They have decided to arrange for payment of pension wherever due. They have further decided to set aside a sum of rupees thirty lakhs for distribution among the ex-I.N.A. personnel on an equitable basis. Widows and dependents of those who died and disabled persons will also be entitled to help from this sum."

May I just point out one or two matters contained in this statement. First of all, I wish to repeat that this statement applies to the I.N.A. personnel in India and obviously not to Pakistan. Secondly it removes from the political point of view, so far as we are concerned, any question of a stigma or bar attaching to them and it is open to them to serve the State in any capacity. "In any capacity" includes military capacity also, so far as that is concerned. But so far as re-instatement of this personnel in the Army is concerned, numerous other factors arise. In the Army many of these people were engaged temporarily—by way of Emergency Commissions and the like. Normally speaking, they would have gone out of the Army long ago. A number of permanent commissions would have remained. The main fact, as stated in the statement is, that there has been such a big gap, and meanwhile all manner of changes have taken place in the Army—promotions, etc.—that it will be exceedingly difficult, not only practically but psychologically to fit them in. But that has nothing to do with any political reason because they belong to the I.N.A. but entirely to other reasons. Then again, we want them to serve the State because we think there is very valuable material among them. We want them to serve the State in many other capacities, including not only the Home Guards etc., but the military forces of the States and the Civil Services, and may be, if they are suited for it, for such very highly important services like Consular or Foreign Services, so that no avenue is closed to them.

Then so far as compensation for non-payment of various allowances, etc., is due, first of all we have decided to give them pensions wherever due. Secondly it involves a difficult calculation of how to give them compensation. For the present we have decided to set aside a sum of Rs. 30 lakhs, that is apart from the pensions—that is a separate item to be given to them. How exactly it will be given to them will be worked out according to some form which will be fair and equitable.

Prof. Shibban Lal Saksena (U.P.: General): Sir, I would like to know whether the Honourable the Prime Minister would allot a separate day for the discussion of this question, which raises some very important problems with regard to the verdict of the electorate on the issue during the last elections, on the basis of which this House has been elected.

Mr. Speaker: I do not know whether any day can at all, be made available now, as we are closing the session on the 9th April. That is the position.

The Honourable Pandit Jawaharlal Nehru: For my part I feel it is difficult to make a day available, unless the House thinks otherwise. I do not think it is very necessary.

PAPERS LAID ON THE TABLE

NOTIFICATION *re* AMENDMENTS OF THE AJMER-MERWARA MOTOR VEHICLES RULES 1940

The Honourable Dr. John Matthai (Minister for Railways and Transport):
Sir, I lay on the table under sub-section (3) of Section 133 of the Motor Vehicles Act, 1939, a copy of the Notification by the Chief Commissioner, Ajmer-Merwara, No. F/22-3-IV(CC), dated the 21st November, 1947, relating to certain amendments of the Ajmer-Merwara Motor Vehicles Rules, 1940.

ORDERS BY THE CHIEF COMMISSIONER, AJMER-MERWARA NOTIFICATION

Ajmer, the 21st November 1947

No. F/22-3-IV(CC).—The Chief Commissioner is pleased to make the following amendments in the Ajmer-Merwara Motor Vehicle Rules 1940 published with his Notification No. 1141/34-W/38-111, dated the 12th June 1940, the amendments having been previously published in this Administration's Notification No. F/22-3-IV (CC), dated the 27th September, 1947.

1. To the rule 5.34 the following sub-rules shall be added namely:—

(f) The Provisional Transport Authority may by order, in writing direct that until the first day of January 1948 nothing in this rule in regard to and consequent upon the provision requiring that the vehicle shall be driven from the right hand side shall apply to a public service vehicle or specified class of public service vehicles fitted with left hand steering control and obtained through the Disposals Organisation of the Central Government.

(g) Where a Registering Authority registers a public service vehicle in respect of which or belonging to a class in respect of which an order under sub-rule (f) has been made he shall note in the certificate of registration the fact that nothing in rule 5.34 in regard to and consequent upon the provision requiring that the vehicle shall be driven from the right hand side shall apply to the vehicle.

2. The existing rule 5.54 shall be numbered as sub-rule (1) and the following sub-rules added namely:—

(2) The Provincial Transport Authority may by order in writing direct that until the first day of January 1948 nothing in rule 5.54 in regard to and consequent upon the provision that the vehicle shall be driven from the right hand side shall apply to a goods vehicle fitted with left hand steering control and obtained through the Disposals Organisation of the Central Government.

(3) Where a Registering Authority registers a goods vehicle in respect of which or belonging to a class in respect of which an order under sub-rule (2) has been made he shall note in the certificate of registration the fact that nothing in rule 5.54 in regard to and consequent upon the provision requiring that the vehicle shall be driven from the right hand side shall apply to the vehicle.

3. For rule 6.2 substitute the following:—

"6.2. *Signalling devices.*—(a) Subject to the succeeding sub-rules, the signalling device required by section 80 of the Act shall be a direction indicator as prescribed in rule 5.23 and shall be fitted to both sides of the vehicle.

(b) Notwithstanding anything contained in sub-rule (a) until the 1st day of January 1948 a vehicle other than a transport vehicle obtained through the Disposals Organisation of the Central Government equipped with electric lighting may be fitted with a mechanical direction indicator complying with the requirements of rule 5.23 on the right hand side of the vehicle only.

(c) The Provincial Transport Authority may by order in writing direct that the provisions of sub-rule (b) shall apply to any transport vehicle or class of transport vehicles equipped with electric lighting specified in the order.

(d) Where a Registering Authority registers a transport vehicle in respect of which or belonging to a class in respect of which an order under sub-rule (c) has been made he shall note in the certificate of registration the fact that the vehicle may be fitted with a mechanical direction indicator on the right hand side only."

By order.
B. C. KAPUR,
Secretary to the Chief Commissioner.

Ajmer-Merwara.

DELHI AND AJMER-MERWARA LAND DEVELOPMENT BILL

PRESENTATION OF REPORT OF SELECT COMMITTEE

The Honourable Shri Jairamdas Doulatram (Minister for Food and Agriculture): Sir, I beg to present the Report of the Select Committee on the Bill to provide for the preparation and execution of land development schemes, the reclamation of wasteland and the control of private forests and grass-land, in the Provinces of Delhi and Ajmer-Merwara.

INCOME-TAX AND BUSINESS PROFITS TAX (AMENDMENT) BILL

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, I move for leave to introduce a Bill further to amend the Indian Income-tax Act, 1922 and the Business Profits Tax Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Income-tax Act, 1922 and the Business Profits Tax Act, 1947."

The motion was adopted.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I introduce the Bill.

NATIONAL CADET CORPS BILL

The Honourable Sardar Baldev Singh (Minister for Defence): Sir, I move for leave to introduce a Bill to provide for the constitution of a National Cadet Corps.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the constitution of a National Cadet Corps."

The motion was adopted.

The Honourable Sardar Baldev Singh: Sir, I introduce the Bill.

ROAD TRANSPORT CORPORATIONS BILL

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I move for leave to introduce a Bill to provide for the incorporation of Road Transport Corporations and for purposes connected therewith.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the incorporation of Road Transport Corporations and for purposes connected therewith."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

CALCUTTA PORT (PILOTAGE) BILL

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I move for leave to introduce a Bill to provide for the transfer of control over pilotage on the River Hooghly to the Commissioners for the Port of Calcutta.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the transfer of control over pilotage on the River Hooghly to the Commissioners for the Port of Calcutta."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

AJMER-MERWARA TENANCY AND LAND RECORDS BILL

The Honourable Shri Jairamdas Doulatram (Minister for Food and Agriculture): Sir, I move for leave to introduce a Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and other matters connected therewith in Ajmer-Merwara.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and other matters connected therewith in Ajmer-Merwara."

The motion was adopted.

The Honourable Shri Jairamdas Doulatram: Sir, I introduce the Bill.

INDIAN FINANCE BILL

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, I beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee, be taken into consideration."

Sir, the Finance Bill was carefully considered by the Select Committee and a few changes have been made by that Committee. I shall just indicate the changes that have been made and also the financial effects of
12 NOON those changes.

The Committee decided that the additional excise duty on tea and coffee should be one anna per pound and not two annas per pound as proposed by me. The net effect of this change will be a loss of revenue of Rs. 90 lakhs in the case of tea and Rs. 15 lakhs in the case of coffee. The Committee has also reduced the proposed excise duty on vegetable ghee from Rs. 2/8 to Rs. 2. The present duty is Rs. 5 per cwt. and the Committee thought that if the total duty is levied at Rs. 7 it will work out to a round sum of one anna per pound and therefore the proposed duty of Rs. 2/8 was reduced to Rs. 2/-. The effect of this proposal will be a loss of revenue amounting to Rs. 8 lakhs. The Committee has also proposed that the export duty on vegetable oils should be reduced from Rs. 200 which was proposed by me to Rs. 160 per ton. This change was effected, so that there might be more encouragement to the export of oil rather than oilseeds. The effect of this proposal will be a loss of 33 lakhs in revenue.

The export duty on manganese was suggested at Rs. 20 in the original Bill. In view of the fact that there are different grades of manganese and we do not want to encourage the export of the higher grade of ore, the Committee thought that the more equitable rate of duty should be on an *ad valorem* basis and it was therefore decided that the export duty should be 25 per cent *ad valorem* and not the specific duty of Rs. 20 per ton as proposed by me. Even with regard to this 25 per cent *ad valorem* duty some doubts have been expressed as to whether the lower grades of ore can really bear the incidence of this duty. The position is not yet quite clear. What I therefore propose to do is to leave the duty at 25 per cent *ad valorem* in the Act and if it is found that it operates detrimentally in the case of certain low grades of ores, to reduce the duty by executive order under Section 23 of the Sea Customs Act. The loss of revenue on this item will be Rs. 8 lakhs.

The Committee has also increased the minimum amount for the purpose of application of the Income-tax law. Rs. 2,500 which is now the minimum has been raised to Rs. 3,000. The effect of the proposal will be a loss of revenue of Rs. 50 lakhs.

[Shri R. K. Shanmukham Chetty]

With regard to the concession contained in the original Bill for the deduction of Municipal taxes on property in calculating the income-tax payable, the Committee thought that this is a matter which ought to be taken up in considering any amendment to the Income-tax Act and that it should not be brought in as a proposal in the Finance Bill. I have therefore accepted the suggestion of the Committee and in the Amending Bill that I have sought leave to introduce today I have incorporated this provision as an amendment to the Income-Tax Act. The withdrawal of this concession will mean an addition of Rs. 75 lakhs to the revenue.

With regard to the exemption from tax on donations made to charities the Committee decided that this exemption should apply only in the case of donations made on or after the 1st April, 1948. The effect of this amendment will be a gain of Rs. 75 lakhs in revenue. The total financial effect will be a loss of Rs. 204 lakhs in revenue which is offset by an additional revenue of Rs. 150 lakhs resulting in a net loss of revenue of Rs. 54 lakhs. To this loss, however should be added the net increase in the incometax revenue payable to the provinces which will come to Rs. 50 lakhs. The total net effect on the central Budget of all the changes made by the Select Committee will therefore be an additional loss of Rs. 104 lakhs which would mean that the anticipated deficit of Rs. 109 lakhs will be increased to a deficit of 213 lakhs. These are the changes, Sir, that have been made in the Select Committee. Every clause of the Bill was very carefully examined by the Committee and I hope that this House will accept the Bill as it has finally emerged from the Select Committee. Sir, I move.

Mr. Speaker: Motion moved:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee, be taken into consideration."

As regards the allotment of time, I may inform the House that I propose to put this question of consideration to the House at 5 p.m. today. That means the consideration motion by itself may be discussed up to that time, unless it is finished earlier, and the clause by clause reading will be taken up immediately after the consideration motion is disposed of by the House, and the guillotine time will be tomorrow 5 p.m. when all outstanding questions will be put to the House.

Shri B. Shiva Rao (Madras: General): Mr. Speaker, Sir, even with the explanation given by the Honourable the Finance Minister of the changes made by the Select Committee in the Bill, I must nevertheless confess to a certain sense of disappointment that the members of the Committee could not see their way to go much further in the direction of giving relief to the poor man and the lower middle class. Sir, I was one of those who felt when the Finance Minister delivered his budget speech, and still feel that there was no real justification for giving back to industry a slice of the business profits tax, even under cover of the picturesque phrase that it may later be "ploughed back into capital." I think it is the aim of every section of this House and of people outside that all possible effort should be made to increase industrial production. The question is how it should be done. Sir, I speak with a good deal of first hand knowledge of industrial labour conditions in this country, and I am convinced that mere appeals to labour, whether they are broadcast over the air or made from public platforms, that it should cooperate in increasing production are not of much use. Even to announce, as the Labour Minister did the other day that he is going to have a Housing Board and look forward to the construction of a million houses in the course of the next ten years, even that is not likely to be impressive. What would convince industrial labour is something done immediately in the course of the next twelve months,

and I was very much impressed with the Prime Minister's statement yesterday to the annual meeting of the Federation of Indian Chambers of Commerce that we should not wait for bricks and cement and steel in order to put up houses. I have seen very good and durable houses built in Mexico of sun-baked bricks and local timber, and if they are good enough in Mexico, they will be good enough in this country.

Prof. N. G. Ranga (Madras: General): They are good enough in our villages now for ages.

Shri B. Shiva Rao: I would like to suggest to the Finance Minister to consider the utilisation of this slice of the business profits tax, which he proposes to hand over to industry, as a bonus for increased production. Let him fix a standard figure for production in each industry and in each factory, and let him propose that any production over that standard figure would entitle both labour and capital concerned in that particular factory to a bonus on the principle of profit-sharing. That, Sir, may prove an incentive more effective towards increased production than the suggestion he has now made. The other suggestion I should like to make is that the notification announced two years ago by the Central Board of Revenue may suitably be modified for present conditions. Sir, two years ago the Central Board of Revenue in a notification said: "It is desirable to offer some inducement to employers of labour to continue expenditure on labour welfare work without interruption during the years of low profits or even losses, and the Board have therefore decided that any expenditure on labour welfare work, not of a capital nature, but actually incurred during the previous year should be allowed in entirety as a deduction in income-tax assessment, irrespective of the actual amount of profits for that year available for meeting expenditure." Sir, now that the Labour Minister has announced the formation of a Housing Board, I would suggest that contributions from employers for building houses for labour may be brought under this notification.

Now, Sir, I would like to turn for a moment or two to the work of the Economies Committee. I believe certain enquiries are already in progress department by department to scrutinise their expenditure. I would like the Finance Minister to consider even at this stage whether he could not extend the terms or reference of that committee to look into certain aspects of Defence expenditure. I realise the force of the contention which was put forward the other day that so long as the Kashmir operations are in progress, and in view of the present uncertainty regarding the composition and the structure and the disposition of our Defence forces, it would be rather difficult to look too closely into Defence expenditure. Sir, I do not wholly subscribe to that view. Inevitably during these six years of war there was a great deal of laxity permitted in financial control over defence expenditure, and I am not sure that that laxity has disappeared altogether. I remember, after the first Great War, when the Military Retrenchment Committee was first announced, a sudden change took place in the estimates of the Defence Department of that time in an item which was called 'Amenities for convalescent officers in Waziristan'. Originally the estimate was for about 80 to 90 lakhs, and as soon as the Retrenchment Committee was announced, the Defence Department said that there had been an over-estimate in regard to that item, and had cut it down to about 40 lakhs. On enquiry I was told that the difference was due to the fact that this particular item which was withdrawn consisted almost entirely of expenditure on champagne and whisky. Sir, I do not suggest that that particular form of expenditure continues at the present moment—I do not know. Nevertheless, I have been intrigued by the estimate of Rs. 1,78,00,000 for Military Grass Farms in the present budget. When the army has been completely mechanised, and there are very few cavalry units and very few mule corps, I do not see the necessity for retaining such an item of expenditure. There is also a lump sum

[Shri B. Shiva Rao]

grant of 5 crores for temporary labour in one place and a crore and a half in another. These I think may well be subjected to the scrutiny of the Economics Committee.

There is another direction again in which I think the attention of the Economics Committee may usefully be directed. I am referring to expenditure abroad on which I believe there is no audit check at the present moment. Sir, in recent months I have been scandalized by the extravagance displayed by certain delegations or members of delegations when they are sent out. I know of one or two cases in which officials of the Government of India sent out on deputation have flown their girl stenographers over half the world at Government expense, and I think it is time that the Finance Minister put his foot down on expenditure of that kind. Sir, I hope the Finance Minister at any rate will not accuse me of provincialism when I say that from my long experience I can say that one good Madras stenographer is equal to three American girl stenographers—not in looks, but certainly in efficiency.

Apart from enquiries department-wise, I would like the Economy Committee to consider certain general propositions. I believe, Sir, the Government of India spends a great deal of money on posters. The Finance Minister's own Department issues a large number of posters whenever they go to the money market for loans or for campaigns to promote the sale of saving certificates. The Department for Food and Agriculture has its own posters for the Grow more food Campaign. So has the Transport Department. I believe the practice has been in the past for each Department to go to the most expensive press in the country and place orders for a very large number of posters. I do not know if the estimate is correct, but I am told that normally the Government of India spends as much as Rs. 40 lakhs on posters every year. There, I believe, is room for considerable economy.

There are also other ways in which the Economy Committee might improve the efficiency of the Secretariat. It might consider, for instance, how long a letter which has been signed by the official concerned takes to leave the Department after it has been signed. I found that in the Home Department during the war some times a letter took as much as 11 days. The Economy Committee might also consider whether greater use cannot be made of telephones. I do not know if the House has read the very interesting remarks of the Gorwalla Committee on the state of telephones in Delhi—they border almost on the libellous.

Sir, speaking of the standards of efficiency in the Secretariat, I was interested in the debate which took place in the House the other day, initiated by my Honourable friend Mr. Mohan Lal Saksena. As a newspaperman, it has been my business for many years to go round the Secretariat, and I think I may claim a fairly intimate knowledge of the way it has been functioning. I have no hesitation in saying that during the last twelve months there has been a very considerable deterioration, both in the quality and the quantity of the work done in the Secretariat. At the same time, I am bound to say that the criticisms voiced on the floor of the House the other day seemed to me entirely one-sided—the fault is not all on the side of the Secretariat. Since that debate took place I have carried out, entirely on my own, a kind of informal Gallup-poll amongst friends of mine in the various Departments, and the results are certainly interesting. In the first place, there have been far too frequent changes of the personnel in some Departments. In the Information and Broadcasting Department there have been four Secretaries in the last eight months. In the Commerce Department there have been three. In the Education Department there have been three. Similar changes have occurred in other Departments

Prof. N. G. Ranga: They are all omniscient!

Shri B. Shiva Rao: I do not claim any omniscience for them but new Secretaries take time to get acquainted with the details of business. Also, Sir, incidentally I would like to say that, speaking for myself, I strongly disapprove of eminent men of science being pitch-forked into administrative jobs. I do not think we in the House realise how much of resentment there is among Secretariat officials when outsider are brought over their heads. That is one difficulty in the Secretariat. And the other is—on this only Members of Cabinet can speak with authority—I am told that the rules of executive business are substantially the same today as they were in the time of Lord Reading's Viceroyalty almost thirty years ago. I think it is time, if that charge is correct, that the Cabinet gives its attention to revising the rules of business to accord with the requirements of the present day.

Thirdly, Sir, I think the Cabinet, which has borrowed its method of functioning from England, should initiate an enquiry into whether the present allotment of portfolios is conducive to the rapid and efficient discharge of business. Ever since the time of Lord Haldane's Committee in 1917, periodically such inspections have taken place in England with excellent results—I think it is recognised widely at the present moment that Members of the British Cabinet, especially those who are in charge of evolving policies whether they are long-term or short-term—should not be saddled with too many Departments, and certainly not with administrative and routine work which would keep them away from the more important business of shaping policy.

And lastly I would like to say this. In the old days when the Legislature consisted of officials and non-officials, there were frequent contacts between the Secretariat and the non-Official members of the House not only on the floor of the House but in the lobbies. Those contacts have almost completely disappeared with the change in the composition of the Legislature. In the old days Secretaries, when they sat down to write their notes on files, took a great deal of care to see how public opinion was likely to react to any particular policy, and on files they were not afraid to express their own opinions freely. The shaping of policy was for the Executive Council, but there was a great deal of independence of judgment in the senior officials of the Government of India of those days. Today, Sir, the Cabinet is no longer afraid of the Legislature; the division bell hardly ever rings except to summon a quorum after the lunch interval. And frankly, my friends in the Secretariat say, "We no longer bother about what you say on the floor of the House; we are concerned entirely with what our Honourable Ministers think". I cannot complain that such a change has come over the Secretariat because on the notice board the other day was put up a brief statement that members of the Legislature would move only such amendments as were acceptable to the Honourable Minister in charge of the Bill.

Dr. B. Pattabhi Sitaramayya (Madras: General): That was a mistake. Sir; it has been corrected since.

Shri B. Shiva Rao: Nevertheless, I think there is a danger in the present situation in that Secretaries no longer exercise a healthy independence of judgment.....

Prof. N. G. Ranga: Why do not they do it?

Shri B. Shiva Rao:.....but write on files not what they think, but what they believe would please their respective Ministers.

Prof. N. G. Ranga: Why not? Will it not otherwise lead to a lot of log-rolling and canvassing here between the members and Secretaries? Are they supposed to be subordinates of the Ministers, or are they supposed to be independent masters themselves?

Shri B. Shiva Rao: Well, Sir, I made a reference to the subject of deference; I would like to make one or two suggestions in regard to this matter. Like Prof. Shah who spoke the other day, I too believe that economy does not mean

[Shri B. Shiva Rao]

only retrenchment but only avoidance of wasteful or unremunerative expenditure. In these days, when there is a threat of war, I would be the last person to suggest that we should effect unwise retrenchment in regard to our defence expenditure. War today is total, and we had a reminder of it last week when the Prime Minister introduced a Bill on Atomic Energy. It is not only the scientist who comes into the picture these days, but the politician and the economist also; and it is very necessary that our top-ranking officers who are in the Army or the Air Force or in the Navy should have a fairly intimate knowledge of the political, the social and the economic conditions not only of India, but of countries which are our near neighbours. Sir, I was present in Amritsar towards the end of January when the Prime Minister gave a very lucid and comprehensive off-the-record talk after dinner to a large group of Army officers. Now, that practice, I think should be extended. Further I would like to see in the Army Headquarters here and in the headquarters of Divisions and Brigades throughout the country books on these different subjects placed in their libraries so that we may build up an intellectual atmosphere in these various headquarters. I would also like to see added to the courses of the proposed new Staff College at Wellington, lectures on such subjects as foreign affairs, and political, social and economic conditions in various parts of the world.

Lastly, Sir, I would like to place one or two suggestions before the Honourable the Finance Minister for his consideration. One is in regard to the Sales Tax. I think if provinces levy different rates of sales tax, they are likely to interfere unduly with inter-provincial trade. I was interested to read in this morning's papers a report that the Government of Pakistan has decided to make sales tax a Central Subject. I would like the Finance Minister to discuss this matter with Provincial Finance Ministers to see whether the levy and even the collection, if necessary, of the Sales Tax may be made a Central subject, in order to remove needless restrictions and annoyances in the way of inter-provincial trade.

The second suggestion I would like to make to the Finance Minister is this. Sir, two or three years ago one of his predecessors, Sir Archibald Rowlands, sent two officers from the Finance Department to Australia to study the way in which the Federal Government of Australia was distributing federal grants and the manner in which those grants were spent by the different States in Australia. I do not know whether the Finance Minister has had the time to get down to problems of this kind or whether that report has been published. If it has not been published, I would like him to consider whether he could place either the whole report, or such parts of it as are not confidential, on the table of the Library of the House. I would also like him to consider the advisability of creating a new section in the Ministry of Finance or, if the Planning Commission is going to materialise in the near future, the creation of a separate finance section in the Planning Commission to consider the kind of problems which the Australian Grants Commission considers at the present moment. I think, Sir, Provincial Governments would be grateful for expert financial assistance in regard to the manner in which budgets have to be framed; in his own and interests the Finance Minister of the Central Government should see whether the burden of taxation in the different provinces, Central, Provincial and local, falls adequately and equitably on the different classes of the population; and, thirdly whether the grants given to the provinces are spent wisely and for the purposes for which they were made. I would like him to discuss these suggestions when he meets the Finance Ministers of the different provinces.

Prof. K. T. Shah: (Bihar: General): Mr. Speaker, Sir, on the last occasion when I addressed this House on this subject I confined myself to deal with three important issues, as I conceived them, namely, constitutional, economic

and social. I intend to confine myself mostly to the broad issue of public economy, not because I am convinced that there has been any satisfactory response in regard to the other two matters to which I alluded on the last occasion, but because it would be as well to draw the attention of the House to broader issues which I am afraid are apt to be lost sight of in discussion of details. For the discussion of details we have not sufficient time, a handicap to which I have referred on a former occasion.

The fact remains however that in regard to matters coming within the scope of the Finance Bill, and with special reference to the administrative machinery, we have yet to find a radical change. My friend Mr. Shiva Rao has just given the House explanations or reasons why the fault does not lie entirely with the bureaucracy. I agree that it is so, but I submit that these explanations do not deny the fact that whether in temper, in tradition or in technique, the administrative machinery remains still unchanged. I find evidence of this lack of change, the absence of change, in the replies one receives in the course of this House's question hour, in the rejoinder one gets in the course of the discussions on subjects like the Finance Bill and in a number of ways in the general attitude displayed towards criticisms voiced in this House. The replies, Sir, apart from such information as may be innocuously given, are standardised, such as "The question does not arise", or that "No useful purpose will be served by giving material of this kind", or that "the matter is under consideration (no one knows for how long!)", or that that Honourable Member "must have notice of that question." Sir, in regard to this device of further notice, I am reminded of a very interesting episode in the British House of Commons, which, with your indulgence I would like to tell the House. Once upon a time there was a Noble Lord, a member of the House of Commons and member also of the Cabinet of the day, who was most averse to answering questions and particularly supplementary questions. He made it a point, whenever it was unavoidable for him to be present at the instance of the Leader of the House, to answer questions by saying "I must have notice of that question." It so happened that members got tired of this reply. Two of the members one day particularly requested the Prime Minister to make the Honourable Minister to be present in the House when a question of some importance on national policy was going to be addressed, and whether he liked it or not he had to be present. The question came up in the ordinary course and was solemnly answered as prepared by the Heads of the Department of the Honourable Minister. One of the two members who had previously arranged among themselves got up and very solemnly asked whether the reply of the Right Honourable Gentleman meant affirmative or negative. The Honourable Minister got up and replied in his standardised form: "I must have notice of that question." Sir, I do not mean to say that the formula repeated on the floor of this House also smacks of the same condition, but I have heard the standardised replies so often that it is doubtful if the information gathered in the course of the question hour and particularly in regard to the supplementaries goes very far to educate or enlighten the House. I am not blaming or criticising the Honourable Ministers. I am only making this as a point that those who prepare the answers for them, namely, the Bureaucracy, still follows the same traditions, the same technique and is in the same temper, so that if I may repeat an immortal saying, of Shri Krishna, speaking of the Soul—न जायते म्रियते वाकदा चिन् and edit and modernise it to suit this unchanging irremovable and incorrigible organisation: I would say of Bureaucracy

न जायति विभ्रति वा कश्चित्

न शुष्यते बुध्यते वा कदापि ।

न शुष्यते शृङ्गीमूते प्रबंधे

न लिप्यते लिप्यमाने विज्ञाने ॥

[Prof. K. T. Shah]

What I would also say of this Bureacracy, even though the entire spirit of our constitution is supposed to have been altered, even though the heads of Government have completely changed, the traditions still continue immortal as ever and goodness knows when we shall be free from this. I have been inured in my life of writing and criticizing Government and Government ways, to the replies of the kind that we receive very often on the floor of the House; I have been inured to suggestions that what I put forward is either an impracticable or that it is destructive criticism, though I must confess I had not looked forward to such a rejoinder on suggestions that I had offered on a previous occasion to an Honourable Minister. This does not sound very well coming from the old Bureacracy which operated for the benefit of a foreign master, but when these things come from our own men and particularly the responsible heads of Government, one cannot help recalling even at the risk of criticism of self-glorification that most of the suggestions that I have made for the last 25 years in several of my works have been adopted entirely and they have become so common-place that one hardly knows anybody standing up and questioning them, but at that time they were laughed at; they were thought to be impracticable; they were thought to be destructive criticism. I can mention just such items, as for instance, the rates of income-tax, the rates of super-tax, the proposal for the national planning on a large comprehensive scale and even the suggestion for nationalisation. I know there are people who would even now suggest that the progress of nationalisation should be halted, that the Bank should not be nationalised, that the Reserve Bank must not even at this moment be thought of as capable of nationalisation. I wonder why they would not suggest that the Post Office should be turned into a private enterprise, that the railways should be handed over to a private company, that the army even should be managed by private enterprise, because in private enterprise there is greater efficiency, there is greater economy and of course, there is greater profit—I forgot that in the Army there is no profit and that they would never work—and the Army, the Navy or the Air Force being nationalised. But short of that where there is minimum service and maximum return, every item can be monopolised on pain of industry and capital becoming so shy that Industry would not progress. It is a marvel to me, Sir, that in countries like the United States or the United Kingdom where taxation has been for years at the rates at which we have not been familiar till two or three years ago, the total production of the country had not fallen off. As the Honourable the Prime Minister said at the Conference yesterday it is a surprise which only a magician can explain as to how in spite of these threats, in spite of these apprehensions, in spite of these gloomy predictions, industry has nevertheless continued to go on and if the total volume of production has fallen, there are other explanations besides merely the burden of taxation. I have not got the report for instance of the Central Board of Revenue, which would give the total number of assesseees, the total income of the assesseees, the total yield of the income-tax and so on, but I am perfectly certain that if these were examined, we will find that the wealth has not in the aggregate declined. Be that as it may, Sir, speaking of the country's public economy as a whole, I should like to place a few thoughts before this House, on the nature and function of public expenditure, on the nature and purpose of Central or local taxation and the nature and working of our national credit.

As regards public expenditure I like to point it works in three-fold ways. It is a part of investment in intangible assets which are to be built up for the greater and greater development and greater and greater prosperity of the country. It is a form of building up our sources of production, our nation's wealth and its equipment, moral, mental and physical, whereby for each succeeding generation, we may leave better and better heritage. Expenditure should not merely be cut here and cut there, *ad hoc*, but should be so regulated that you have for every item so to say a greater and greater return. It is because

of this view that I have criticised and would criticise the way that expenditure, as it is, being incurred to-day, we have the fullest and the best return for every Rupee spent in this country. I join with my Honourable friend Mr. Shiva Rao for suggesting for instance, the Army expenditure. There too there should be room for true economy without necessarily reducing our defence provision and that is another aspect of public expenditure which we also cannot ignore, namely, the formation of national industries. It is not merely investment, but it is also an insurance to which we cannot be indifferent. Defence is particularly a form of insurance for the national security, for national growth and expansion, I mean, expansion in the moral and material sense and not necessarily in the territorial. We have therefore to see whether the insurance premium we are paying is in proportion to the security we are getting. That is the test by which I would judge the item of expenditure on defence.

Almost every item in the Budget seems to show an increase and we are generally told that the increases, two or three-fold as it may be, is justified by either increase in the level of prices or other circumstances of allied nature beyond the control of Government. I am not sure that every such expansion would be valid. The composition of the Army in India before 1945 was partly British and partly Indian troops and the British section of it was supposed to be 4 or 5 times as costly as every Indian soldier in the Army. That section is now gone and yet you have almost the same level of expenditure for a smaller India than was the case for the larger India of one year ago. I want to know, Sir, whether there is sufficient scrutiny; I want to know, Sir, whether there is sufficient close consideration of every item which has been spent upon the Defence Budget, so that we are not only not locking up unnecessary capital—let me say in military stores and equipment which gets out of date every year with the advance of science and technique—and whether we are getting in actual services, in actual capacity for Defence the same return that we have the right to expect. According to the report of the Inchcape Committee at the end of the previous war, the Army Department alone had locked 60 odd crores of capital in stores which were steadily depreciating. I do not know how much those stores eventually realised and how much is the expectation of those stores serving the purpose for which they have been bought and kept in godowns. The point may also be made that public expenditure is in its third aspect a means of correcting social injustice. That is where development in civil services and development or expansion in utilities comes in. I note that this Government planned or proposed considerable outlays in what we may well regard as development services. It has been well pointed out that the real field for these services lies with the units which make up the Federation—I agree—and that the function of a central Government is to guide them and help them financially where necessary, so that the services can all march more or less abreast. In this connection, however, I cannot help voicing a certain apprehension of my own regarding the emphasis now very fashionable to place upon the concentration of power and authority in the Central Government. I yield to none in the belief that we need today a strong central Government, but I do also think that a real and working democracy where the government is by the people and for the people lies with the units. And therefore unless and until the units are encouraged and unless and until they have resources which they would themselves manage and develop to build up a real nation of the kind that we have all been hoping and dreaming about, I am afraid the centre's concentration of authority and particularly of resources may not be always in the best interests of the country.

I now pass on to the resources side of the budget, namely, the taxation and forms of revenue by which the public purse is filled. Sir, we have had no real scientific comprehensive survey of the revenue system of this country from the national standpoint that I think is highly overdue. Twenty odd years ago there was what was known as the Taxation or Todhunter Committee which reviewed certain forms of taxation but did not consider other forms like land

[Prof. K. T. Shah]

revenue, which was specifically excluded. The co-ordination of the resources of the country for its needs, the best application of the tax receipts or revenue income so as to improve the requirements of the State and yet give the best return not only to the present but to the unborn generations of the land, remains to be done. If there is need for a true economy committee, I submit there is still greater need to examine properly the resources of the country and see whether the incidence of the burden, the distribution of tax receipts is as even and as fruitful as it should be. I am one of those orthodox people who still believe in some of those canons of taxation which have been evolved years and years ago. That tax is bad which takes more from the country than is needed, that tax is bad which will impinge upon the people in a manner that would be inconvenient or harmful to the people paying it. And that is why I have all my life believed that the only salvation of any country would be to replace taxation, which after all is compulsory deduction from private men—by public enterprise. I do not mind saying that it is only the profits or the surpluses of the public enterprise which alone can add to the wealth not only of the State but also of the community in general and every individual member therein. From this point of view that taxation system of India badly needs overhauling and re-examining from a point which is not the point of our past rulers in this country, but which is the point of view of people intent upon a true nation-building in this land. Taxation is an instrument not only for correcting the injustices and inequalities of wealth distribution—and that is one purpose of taxation which is not always looked to—but taxation is also a weapon, means and instrument for actively developing our resources and increasing the national wealth. I spoke of expenditure as a form of investment; here is its counterpart when I say that taxation is a means which provides the State with all such expenditure which will be a long-range investment. But while I am quite willing to grant that taxation is a means of active national development in a State which may grow even to a time-table, I am not prepared to say that all that exists today, the rates and forms which have been adjusted, are the best we can have. From the brief glance that I could give to the report of the Select Committee and to the Bill as a whole I am not convinced that the Bill is all that it might be, that the measure, level and forms of taxation are all that we can have. I am never able to see why, for instance, people should not be content with incomes ranging right up to two or three lakhs even though the taxation is supposed to go in slabs to something like 15 annas in the rupee. Why an individual should have more than 60, 70 or 100 thousand rupees for himself or his immediate family to spend, I have never been able to understand. Why should not there be an absolute limit upon any individual's income in the country and the balance to go to the State? That I have not been able to understand. If, as the Prime Minister said yesterday, we may have to resort to some form of social conscription so that the labour of every individual will be at the disposal of the State to do what the State considers it necessary in the interest of public service, I do not see why there should not be a similar or still greater conscription of public wealth of the country in the hands of private individuals, to be spent as they like and how and where they like with thought of how the country's interests are served. The capitalist talks about patriotism; but the capitalist is patriotic so long as he can get a 5 per cent yield. The moment he gets a better yield elsewhere out of the country he will find the means to emigrate and go out of the country without any risk or fear that his patriotism will be impinged. I always look upon the cry of patriotism of the capitalist with suspicion, because the more he shouts about patriotism or of matters which benefits him and his class, the more will the country be left to.—I will not utter that word because it is unparliamentary. In this way of looking at the country's public economy I have only one more word to say with regard to the use of national credit. I fear we have not understood and developed the national credit as we might, for

the reason that those who had to develop and work the national credit were not actuated by the best interests of this country. They had to run in the credit of India as they called it so that they should not find it a needless burden. The moment, however, they turned the road and themselves became debtors they had no thought about the credit of India thereafter if the dues from them were either not paid or not paid in full. I was very glad to hear a categorical assurance from the Finance Minister the other day that he would not be a party to any scaling down of our sterling balances. But while I was glad to hear that assurance from that eminent authority I feared whether this phrase "scaling down" may not have different interpretations according as the final agreement was made. We may not have any scaling down in the total of 15 or 16 hundred crores as it is; but if this amount together with whatever interest we may get on it is spread over 50, 60 or 100 years, I do not know whether it may be called scaling down or otherwise. I trust the Finance Minister will bear this also in mind and will not regard me as a sort of Cassandra who is becoming a prophet of woes or a prophet of pessimism. I have no intention to discourage anybody who may be accompanying the Finance Minister and advising him in presenting and maintaining the case of India in regard to this. I want only to urge that here is an asset and our source of international credit which ought not to be weakened at any cost. We have never yet tried, so far as my memory goes, the strength of India's credit in the international money market. We have been so tied to the apron strings of England: we have been so dependent upon all our loans and borrowings abroad such as they were and conducted through the London money market, that we do not know what strength we have in other countries. If only we would try. Therefore I would appeal that both in India and outside, for purposes on which we feel perfectly certain there will be increased wealth in this country and increased strength to maintain our national credit, those who have the administration, those who have the charge of this credit in their hands, will see to it that the national credit in the hands of the free and independent rulers of today will not suffer at their hands.

Sir, I have only one word more to add. It is not merely that credit is an instrument for enabling a country to tide over any immediate deficit or difficulty. Credit is a form of wealth for the future. If I may say so, and as such it is to be employed not merely in the service of replenishing or making up a deficit of a wasteful character, not only in tiding over the moment's emergency, but in the most proper use, in the most effective employment for the real development of long-term growth of the country, its industries, its agriculture and its human as well as its material resources of all kinds.

Shri Harihar Nath Shastri (U. P.: General): Sir, I am grateful to you that you have given me an opportunity to speak on this occasion. Last time when various demands were under consideration. I could not be present in this House, nor could I take part in the discussion when the Finance Bill was presented in the House about a fortnight back.

All the same, it was with close and respectful attention that I listened to almost all the speeches that were made in this House in connection with the Finance Bill, and I felt that almost all the important points were covered in course of the speeches that were made: I will not repeat the points that have already been dealt with. I would only invite your kind attention to one or two points that I feel are of paramount importance.

Sir, it was stressed in course of.....

Mr. Speaker: If the Honourable Member is going to any further points he has hardly half a minute. He would better resume at 2.30 P.M.

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

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

Shri Harihar Nath Shastri: Sir, as long as national independence was not achieved the undivided attention and energy of our people was directed towards the fulfilment of that objective. The masses of our country were under the belief that political emancipation would pave the way for putting an end to all our miseries. But, as we found, political independence was achieved on the 15th August but it was attended by a great many complications. Some of these complications were of a temporary nature, for instance, the Kashmir situation and the situation arising out of the partition of our country. But the Government of our country is ably dealing with these matters and I am sure within a short time it will be possible to tide over these obstacles. But there are certain other matters that are more deeprooted and which require sustained efforts and deep imagination to tackle them.

As you may be aware, Sir, the political serfdom of our country was accompanied by a feudal economy in our country. That brought about a feudal stagnation in the country which resulted in a state of chronic poverty of the masses, their low standard of living and their moral and economic degradation. They were forced to live in insanitary dwellings which caused a rapid decay in their health and increasing death rates. Then you find that as a result of this feudal economy there has been a chaotic growth of industries in the urban areas. The industrial development of our country due to this feudal economy and due to the political dependence was kept under check and we find a chaotic growth of towns that have sprung up with slums containing millions of human beings. These slums are responsible mainly for the high death rate, devitalised health, low standard of living and above all the moral degradation of our people. If we are anxious to bring about rejuvenation of our country, if you want to raise the economic and moral standard of our people and to insure their health and happiness, the political independence of our country must be immediately followed by on the one hand reconstruction of our village life and on the other, the scientific planning of our urban areas. Town-planning and housing must receive priority and should be regarded as a condition precedent to the proper industrial growth of our country. Slum clearance and construction of housing, especially for the poorer classes of people must receive most urgent consideration in the formulation of any plan. Sir, I regret to note that this particular aspect, which in my humble opinion is very important, is not reflected at all in the financial proposals. For several years the question of construction of workmen's houses has been engaging the attention of the Government. About two or three years back, perhaps in the year 1943, a housing sub-committee was set up by the Standing Labour Committee of the Indian Labour Conference and it was entrusted with the task of formulating a detailed scheme for the construction of workmen's houses. That sub-committee submitted its report. It prepared a model for houses and also ways and means to meet the expenditure likely to be incurred in the construction of such houses. That scheme was considered again by the Standing Labour Committee and by the Government of India and since then about three years elapsed but nothing has been done. In the Industrial Conference that took place in the month of December last this question was raised and it was one of the principal items of the Industrial Tuce which has been so often referred to in this House. I remember on that occasion the Honourable the Finance Minister himself, when questioned by certain industrialists as to what the Government of India proposed to do in the matter, stood up and said that the Government of India was willing to contribute a substantial portion of the amount likely to be incurred in connection with the workmen's houses and to do their level best in that connection. Since then several statements have been made by the Labour Minister also. One such statement was referred to by an Honourable Member this morning, *viz.*, that one million houses are going

to be constructed but in actual practice we find that nothing so far has been done, nor is there any intention of doing anything so far and neither do I find any such evidence from the financial proposals that have been put forward. On the contrary there is one disquieting piece of information that has been brought to my notice—I do not know how far it is correct. One of the proposals that emerged from the Ministers' Conference held in the month of December was that a housing cess should be imposed on the industry. Now, I came to know some weeks back that there was some disagreement on that question between the Ministry of Labour and the Ministry of Finance, and that the Ministry of Finance was opposed to the imposition of any such cess. Sir, I would very much like to know from the Finance Minister in the course of his reply as to how far this is correct, and if it is so how does he propose to implement the promise that he gave in the Industrial Conference with regard to reconstruction of workmen's houses. I should say, Sir, that this is a very important matter which has been emphasised so very often; this has caused acute discontent amongst the workers and one of the causes of inefficiency is that this important problem has not been tackled in the manner in which it should have been done.

I seek your permission, Sir, to offer a few remarks about the Defence Department. I do not grudge, Sir, the huge amount of our national income that is spent or is proposed to be spent on this Department. I have also no hesitation to admit that the Defence Forces of our country have at the present critical moment rendered excellent service at great risk and sacrifice for which the whole country is extremely grateful to them. There is, however, one aspect that has not been touched in the course of discussion, but which is all the same of considerable importance. As you may be aware, there is a large number of Ordnance Establishments spread throughout the country. With the termination of the War, the majority of employees in these Establishments have been thrown out of work and large amounts of precious machinery and equipment are lying idle and rotting. Looking even from the standpoint of defence and judging from the rapid development in the international situation, what is needed today is an expansion of the field of activity of the Ordnance Establishments and not their contraction. You may also notice, Sir, that all over the world these Ordnance Factories have been converted to peace-time production of capital and consumer goods. Some weeks back I came across a report about the working of the Ordnance Establishments in England. From that report I learnt that these Ordnance Establishments at the present moment are making innumerable goods and to quote a few of the articles that are being produced by them I may mention: Internal combustion engines, Mining machinery, Manufacture of railway wagons, Chemicals for agriculture and industry Steel furnaces, Weighing and lifting machinery, Steel wagons, and Laundry machinery. But what do we find in this country? We cry at the top of our voice about the industrialisation of our country and about increasing production. Here is a golden opportunity to accelerate industrialisation by producing innumerable descriptions of machinery and equipment that we are seeking to import from foreign countries. But the enormous capacity of these Ordnance Establishments is running idle. Sir, soon after the formation of the Interim National Government, I had the privilege, as President of the all-India Ordnance Employees' Federation, to meet the Honourable the Defence Minister and I put forward before him certain proposals in this regard. He promised to look into the matter and then after some time a departmental committee was set up the results of which are still being awaited. I should submit that so far as such departmental committees are concerned no good is likely to come out of them, especially in the case of Ordnance Establishments. What we find and what we all know is that these Establishments are today being looked after by European officers most of whom are not at all interested either in the industrialisation of our country or in the defence of our country." So, I should

[Shri Harihar Nath Shastri]

submit, Sir, that this aspect should be looked into and I suggest that immediately a committee of enquiry composed of representatives of this House and other interests should be constituted to look into this matter and to examine the possibilities of running these Establishments to the best advantage of the country.

Sir, there are one or two more matters that I would deal with, with your permission. There is a recent event which it would not be out of place to refer to. I mean the annual Conference of the Federation of Indian Chambers of Commerce and Industry held in this very city only yesterday. I leave detailed comments on the proceedings of that Conference to some future occasion, but permit me, Sir, to express my satisfaction on the assurance of the President on behalf of the Federation to give the fullest co-operation in evolving a comprehensive and well-thought out plan which would enable labour to play its proper role in the industry, and would also settle the just claims of capital and labour in regard to their remuneration on the principles laid down in the resolution on industrial truce. I only hope that these sentiments will be translated into action without delay. Although three months and a half have already elapsed since the Industrial Conference took place, we still hardly find any change in the attitude and ways of industry. One important Conference—the National Industrial Committee on Textiles—took place in the month of January, about a month after the Industrial Conference. That Committee was held under the presidentship of the Labour Minister where certain important subjects arising out of the industrial truce were discussed. I regret, Sir, in the first place to state that the leading industrialists in the country were conspicuous by their absence from that Conference. Secondly, of those who were present, their attitude was so unhelpful and so arrogant that no good could come out of that Committee and it dispersed without coming to any conclusions. I trust the industrialists of this country will take due note of the timely hint given by our respected leader Pandit Jawaharlal Nehru who said:

“It is not enough to blame any group of interested people for misleading them. The cause lies deeper than that. The minds of labour is generally upset and they have no faith in the sense of justice of those with whom they have to deal. The all-important thing is that labour should have satisfaction and peace of mind, because when minds are upset they prove welcome fields for mischiefmongers.”

Sir, within a few weeks meetings of the Standing Labour Committee of the Indian Labour Conference and the Tripartite Conference are going to take place in this city when various matters in connection with industrial truce will come up for discussion and I do hope that the conclusions of the Conference will be such, particularly with reference to control of profits, payment of fair wages, works and production committees and provident fund, that they will infuse in labour a spirit of service towards their country.

Sir, in the course of discussion it was urged by certain sections of the House that labour at the present moment was not so responsive as it should be. I should say, Sir, that such a sweeping statement should not be made of labour as a class, though I do admit that there are certain section of labour workers who are of course fomenting or trying to foment trouble. For instance, Sir, there is the Communist Party. Till some time back the Communist Party was a great admirer of the Nehru Government which they called the “Peoples’ Government.” But later on there was a change in the international situation and our respected Prime Minister refused to side with Russia or to be dragged in any power politics in the international affairs with the result that since then the main and exclusive concern of the communists in this country has been, in season and out of season, to blame and decry the Government and to create chaotic conditions in the country. But I assure you, Sir, that the working

classes of this country are gradually recognising the real colour and complexion of that party and are increasingly coming under the banner of the new organisation that has for some time been set up and which is gaining momentum every day in this country.

So far as the Socialist Party is concerned, Sir, I would not like to say much at this stage. Only recently they met at Nasik and passed a resolution seceding from the parent organisation. But still, more unfortunate was their decision to set up a rival trade union organisation in this country. Sir, from my personal experience of them I can say that among its leadership are persons who are actuated by the best of motives to serve their country and I do hope that a time will come when they will recognise their mistake and will appreciate the fact that the best interests of the country and the working classes can be best served by their remaining a part and parcel of the great organisation which they have left. Thank you, Sir.

Prof. N. G. Ranga: Mr. Speaker, Sir, I am sorry to have to say that I have not at all been pleased with the general stand taken by the Honourable the Finance Minister who happens to be a very old friend of mine. Sir, it was in 1925 that I came into personal touch with him while he was then the doyen of the opposition benches in this House. But ever since I have found him taking up consistently the same stand taken up by the capitalists in this Country. He has been trying to polish it up and palm it off also, as if it was a kind of socialism. I am afraid, Sir, there are all sorts of conceptions of socialism in this country. Only today my old friend Mr. Jai Prakash Narain was saying that his cult of socialism is not very much different from the Gandhian Socialism. But I wish to tell my Honourable friend Mr. Chettiar that Gandhian socialism is something which is really ascertainable, which has been defined and stated quite clearly by Mahatma Gandhi especially during the last two years of his career. According to Mahatma Gandhi, Sir, there should be no scope for profit motive; the Finance Minister stands for it. According to the Mahatma there need be no private capitalism as such; my Honourable friend stands for it. According to Mahatma there should be the smallest amount of concentration of power in Industry as well as in politics and in other spheres of life; my Honourable friend does not stand for them. According to Mahatma Gandhi every effort should be made both by the Provincial Governments and the Central Government to encourage co-operative enterprise and also cottage industries and there should also be decentralisation of power, decentralisation of industry and decentralisation of economic organisation. I do not find much evidence in favour of any of these conceptions in the two or three speeches my Honourable Friend has made. Therefore, I am quite convinced anyhow in my own mind that my Honourable friend Mr. Chettiar is certainly not a Gandhian Socialist. I leave it to him to decide as to what school of socialism he would like to belong. (*An Honourable Member:* "Capitalist socialism".) But one thing I know. It is not enough that he should be in favour of equal distribution of wealth, or rather he should be in favour of reducing the present inequalities and preventing any further progress in these inequalities. I do agree with him on that point but that is not enough. What is most necessary is that just as you have self-government in political life today in other countries also, you have also to aim at the achievement of economic self-government in the industrial sphere. Why is it that the workers today are not able to make as much response as they are expected to? It is not only because the communists are creating trouble, it is not only because they are not quite satisfied with the kind of response they get from these capitalists, but it is also because they today have very little say in the way in which these various industrial enterprises are being run. Being themselves one of the two or three most important partners in the management and running of the industrial structure of this country or of any other country, they would like—and quite naturally and rightly—to be taken into full partnership in the management of industry. Surely capital alone cannot be given the monopoly of

[Prof. N. G. Ranga]

managing these things and laying down the law. Capital might turn round and say, "Well, we ourselves are not alone in this; we have got our managerial staff and all the intellectuals and professionals, the mechanics and engineers and all these people." But even then they make only two partners: there is a third partner and that is the worker, and he has got to be taken into full partnership. It is true that the recent Industries Conference has suggested that there should be mechanism of consultation like works committees and so on. But are they enough? I am afraid not. They go some way to satisfy the legitimate needs, the desires and aspirations of workers; but they ought to be taken into full partnership in its complete significance, in the Board of Directors, and so on. There is no such proposal as yet either from my Honourable friend the Finance Minister or his colleague the Industries Minister. And until and unless we are able to establish what has come to be known as tripartite management of industries with necessary modifications in order to suit our own conditions I am afraid it will not be possible for us and go to our own workers and tell them that they have got all that they can reasonably ask for and therefore they must offer their whole-hearted support. At the same time I wish to tell my Honourable friend Mr. Sastri who spoke just now that it is not enough for workers to go on saying that the employers are not giving a sufficient response. If really our workers are keen on the achievement of nationalisation of most of the important industries, then the responsibility rests on them also to try and maximise production in order to show that until there were to be nationalisation also to boot, there would be much more co-operation from labour and much more production also, and there would be much greater development of our own national wealth. I want the workers to take the viewpoint also.

Then there are these capitalist friends of ours; yesterday the Prime Minister gave them a homily, though in an indirect manner. I am afraid even then that the Indian capitalists do need a homily. They seem to think that the whole of this country anyhow, if not the whole world, should belong entirely to themselves, that they are absolutely rejuvenated people like the old Maharaja Yayati, that they have all the youth and strength of Kartaviryaryuna, and no one else can poach into their grounds. There should be no State socialism, there should be no nationalisation, no co-operative enterprise or anything like that, and all enterprise must be left to their own exploitation. But what is their position? They are even worse than the Maharaja Yayati, who at least had one thousand sons out of whom he could pick up one fellow who was prepared to give up his own youth in favour of his father. But here they have no such thing. They want to show people that they have got control over the entire capital of the country and with all that capital they would be able to develop all the industries that they want in this country. They want us to believe also that State enterprise is bad; therefore we should not come in their way and they should have complete freedom. But what is the position? They are not able to do anything. Here are all these refugees—5½ million of them and even more,—and their number is increasing. There has been plenty of demand for houses, for cloth, for small shops, consumer goods and various other things. What happened to our industrial capital here and their enterprise that they kept mum and did nothing at all while all these people have been begging for various things in this country? There has been plenty of scope; it is a buyers' market. Who prevented these people from doing anything. Has the State gone and competed with them? The State has not been able to do anything at all. Has there been any sort of nationalised or any sort of co-operative industry to prevent these people from going and catering to the needs of these men, women and children? No. The fact of the matter is that these capitalists are absolutely incompetent; they are not able to inspire sufficient confidence among our own people, the ordinary middle class for whom my Honourable friend wishes to plead, the lower middle as well

as the upper middle classes who have a very small hoards of sums of money who do not know where to put this money and who are not putting it in the banks or other things. These capitalists are not able to inspire sufficient confidence in these people and gain all that money and bring it again into these banks and their various industrial concerns and capitalist concerns and invest it in these various industrial enterprises that are so badly needed. Therefore, Sir, it is no good for these friends to come and say with all their greed that there should be no nationalisation. Let me tell you, Sir, that I am all for nationalisation of all the basic and key industries. I am not alone in this; I have been saying this for the last 15 years in this House. But in those days my people were not in Government. Today, however, my people are supposed to be in Government, though unfortunately my Honourable friend the Finance Minister who comes here on behalf of my own Government speaks, I am afraid, out of tune with the general trend and sentiment of the great majority of Congress people in this country as well as—if I am not mistaken—in this House also. We are in favour of nationalisation; and why? We have no desire to hold forth on the virtues of nationalism at this time because we thought it was taken for granted. Plenty of books from Rhys David and others have been written about this nationalisation; and being a good reader and scholar himself, my Honourable friend the Finance Minister must have read all these books. I will tell him one thing. Take the railways, for instance. Some time ago the railways were under fire, and so many people began to say, "Look at the railways and their inefficiency; even in the face of that do you want nationalisation?" I wish to tell them that there is very much more inefficiency, very much more corruption and much more black marketing and all the rest of it in the various privately managed industries. But are we able to criticise them? Do we know the facts at all? Are their annual reports placed before us for scrutiny? Are their management and proceedings under fire in this House at all. On the other hand I have got the railways here under my daily scrutiny. I have got the right and privilege and opportunity to take them to task for any sign or suspicion of inefficiency or corruption or mismanagement.

Shri Ramnath Goeaka (Madras: General): And with what results?

Prof. N. G. Ranga: With the result that my Honourable friend is able to be here all the way from Madras, and similarly so many other people also. With the result that 5½ million people have been able to come away from West Punjab, and 5½ million people were able to go away from here to other places. If you read books about China you will see how many thousands of people have had to die on the roads without any food, without even slippers or without any shelter at all, merely because their railways would not work or there were no railways to work. But here my railways have made a creditable job of it and I am proud of the fact that these railways belong to my State.

Shri Bikramlal Sondhi (East Punjab: General): What is their percentage as compared to the total population evacuated?

Mr. Speaker: Order, order; that is not relevant.

Prof. N. G. Ranga: My Honourable friend is such a big capitalist that he does not want nationalisation; and there are some people who are clever enough to pick the brains of all capitalists themselves and capitalise it.

Sir, I am glad a Bill has been introduced here for the imposition of an estate duty. I only wish that my Honourable friend while introducing the budget had given us an indication of this: it would have gained for him a better reception for his budget.

An Honourable Member: He did .

Prof. N. G. Ranga: Anyhow he put it in the Bill.

Then so far as his own taxation policy is concerned, leaving aside his present proposals I wish to make him a suggestion. He should not be satisfied with a sort of indirect approach to a three-year plan. He should make a bold approach to a five years plan and he should try to budget for a surplus budget, so that while these days last, it will be possible to have enough money which he can use later on when bad days come.

Next, I am glad that he lays stress on the capital budget. But my complaint is that he has not made the fullest possible use of it. He ought to have come forward with a very fine and big loan programme and raised the money. There is plenty of it in the country, provided you take the help of the co-operative organisations in the country. In the past all these organizations were not willing to co-operate with the Government. To-day they are willing to help intensify such activities in the country. They are prepared to invest small sums in State loans with which it will be possible to launch a number of projects here at the Centre and in the provinces. Therefore, I would like him to appoint, if necessary, a Commission in this country. If a Commission is found to be a delaying thing, then let him take any other measure by which it will be possible to review the whole of the taxation structure and the loan structure and then to make necessary recommendations to him, so that it will be possible the next time when he comes with his budget that he will be able to come back with better and fuller proposals.

Then there was this suggestion which I thought was rather attractive—the conscription of capital. Prof. K. T. Shah was also suggesting it. I do not know how far it will be a practical thing. Certainly we can approach this conscription of capital if only all our public organizations and the State would go hand in hand and go to the people and induce them to invest their funds with the Government's saving certificates and various other loans.

I wish to warn my friend about one thing. He seems to be under the impression that this present National Government is so entirely dependent on the capital market that he should try to sell his Government as effectively and as efficiently as is possible. I congratulate him on that. He is a very good salesman and he has sold our Government very well indeed in this country and abroad. But what I do find is that why should he be at such great pains? Why should he be such an *ad efeatist*? If he were to depend on public co-operation he should be able to raise more funds than what these share markets can possibly be expected to supply him.

There is no mention in his speeches about the steps that he proposes to take in order to establish the Agricultural Finance Corporation, the cottage industries finance corporation, and the civil service that has to be created for industrial administration. These are the three suggestions that the House has made more than once.

I need say one word more in regard to the Cottage Industries Finance Corporation. Cottage industries ought not to be taken as the concern of the provinces alone. The Central Government should take an interest in the matter and it is proper that the Central Government should establish it with the necessary provincial branches connected therewith, so that it will be possible for the Provincial Governments to have sufficient funds with which they will be able to develop all these things. Only yesterday the Honourable the Prime Minister was advising the capitalists in this country that if we were to supply our people with the necessary consumer's goods at all, we should rely more and more on cottage industries. Evidently it was something like an advice to them to go and put their money in these cottage industries. I hope it will be possible for this Governments to come forward with this proposal for this Corporation that I have suggested so that it will be possible for the Provincial Governments to start a number of co-operative cottage industrial

enterprises and help those people to help themselves instead of being left to the mercy of these capitalists who might be starting their own concerns. I know that one of the great leaders of these industrialists had been talking of organising the cottage industry on a fairly scientific basis and a fairly advanced basis. For the last three years he has been trying to invoke my assistance but unfortunately I have not been able to co-operate with him, for I know that once you allow the capitalist to come into the field in any sort of way, he will be following the dog in the manger policy. He will neither develop that field nor allow it to be developed in a more advanced manner.

Is it not necessary that we should relate our taxation to the ascertainable national resources estimates? Is it enough that the Central Government should be framing its own budget almost by itself, in a haphazard manner, without any relation to the provincial budgets? I would like to know whether the Honourable the Finance Minister has taken action to call for a conference of the Provincial Finance Ministers and ascertain how they were going to develop their budget policies and public debt policies also? And whether in the light of those conditions he had formulated his budget? I do not know whether he has done it or not. In future it is most necessary that before the Central budget is formulated, the Central Finance Minister should be able to have a clear idea as to how the whole of the public finances of the Provincial Governments are likely to be developed and how their policies are formulated in their budgets. It is also necessary for him to tell us how much money is being contributed by indirect taxation in this country. He thinks he has told us that through his statement, when that statement is a partial one. It is a piecemeal statement. He told us that direct and indirect taxations were almost equal to each other. That is so far as the Central Government is concerned, but what about the incidence of the whole of the Local Board taxation and the Provincial Government's taxation? Is not it a fact that the Taxation Committee report had itself stated quite clearly that the incidence of the Provincial taxation was indirect mostly and was also regressive; and if you were to take this tax burden into account along with the Central tax burden, it will be found that the contribution from direct taxation cannot be more than 30 per cent in the overall picture. Is that a satisfactory state of things? My Honourable friend wanted us to compare our own tax burden—rather the respective relations between direct and indirect tax burdens with those imposed in America and England. But England is a unitary State. There you have one budget. Here we have the provincial budgets, the local body budgets and the Central Budget. Therefore these figures cannot be relied upon entirely. For this reason, I very strongly deplore these new tax proposals that he has made: one on coffee; he has given us some satisfaction in the Select Committee. The other is on tea; the third is on sugar; the fourth is on matches; and the fifth on vegetable seeds and vegetable oil which have to be exported. I am of course not referring to Dalda as I am not in favour of it. So far as these new tax proposals are concerned I can only tell him that I am not at all in agreement with him, not because I want the lower middle classes, the proletariat, the workers and the peasants, not to pay any tax; I want them to pay taxes, and they have been paying all along through their nose, as it were, to the Provincial Governments; to the Central Government also they have been paying right up to the beginning of the war; it is only during the war that direct taxation burdens have been raised to some extent satisfactorily. Even now, as my Honourable friend Professor Shah has put this morning, I do not think there was any need for him to be so very squeamish to have given so many concessions, to the rich people. My Honourable friend would plead that he has not given very much after all—1½ crores on the balance. But he has created a very bad impression that he has been catering only to his people and not caring for other people. He has balanced the budget and advertised it so well that he has sold it rather too well. He had on the second day to give an apology "why do you think I am a capitalist man?" That is

[Prof. N. G. Ranga]

a wrong way. If you do not want to appear a capitalist man, very well. But not only in appearance but in substance also you have to appear that you are not a Capitalist man. Not only in substance but in appearance also he is in favour of the rich people, especially if you consider all the intricate impositions that he has proposed and he has been able to sustain even in the Select Committee. It is true I was a member of the Select Committee. But as a member of the Select Committee I had one particular duty, and that was not to upset his budget so entirely that the Finance Minister would withdraw it, resign and leave the country in the lurch. It was because I did not want such a crisis that I agreed to put my signature to the Report and not because I was satisfied with my Honourable friend's performance. I do not want to be misunderstood. When I use the word 'performance' I do not mean that I think my Honourable friend is not good enough to be the Finance Minister. My regret is that he does not hold the opinions that I hold, that he is not able to feel in a spontaneous manner just as strongly in regard to the ordinary people, the poor people, as we do in the Congress. It is true he makes an effort; but unfortunately he belongs to the capitalistic school and with all his great abilities he is not able to make that approach to these various problems that we would like.

Then there is the other question about grants. My friend Mr. Shiva Rao was suggesting this morning that the Central Government should keep some sort of control over the Provincial Governments as to the manner in which they would be spending the various grants that the Central Government is making to them. I agree with him. But at the same time I want to sound a note of warning that the Provincial Government's autonomy ought not to be trespassed. The Provincial Government's sense of responsibility also ought not to be weakened in any way. They should be welcomed to develop their own independent heads of revenues, their own budgets almost independently of the Central budget so far as their own incomes and expenditure are concerned, but at the same time sufficiently and properly related to the Central budget as I have already stated.

There is the question of loan policy. I want the Provincial Governments to be free to raise their loans whenever they want, for productive purposes. It is only when they want help to make good their budget deficits or any of these things that they will have to seek the prior consent or advice of the Central Government. Even then I want the Central Government and the Provincial Governments to co-operate with one another in regard to their public loan policy so that there would not be unnecessary competition and unnecessary frittering away of the total overall capital credit of the Provincial and Central Governments.

The question of sales tax was also raised by my Honourable friend Mr. Shiva Rao. I am not able to agree with his point of view. I do not want that the Central Government should have complete control over this. I want the Provincial Governments to be free to go on as they are going on today. At the same time I do want my Honourable friend Mr. Chetty, the Finance Minister of the Central Government, to keep some watch over these things, and here and there and now and then, whenever needed, to give them some advice, help them with his sage advice as well as counsel and experience. To that extent alone I am prepared to countenance any sort of interest on the part of the Central Government in regard to these sales taxes.

There is the question of development. I find that my Honourable friend has not dealt quite so fairly with my people, the peasants. I know he would be able to turn my attention to one or two items about the Grow More Food campaign and so on. That is not enough. I want him to develop, in consultation with his other colleagues in this Government, a regular national campaign for the development not only of the Grow More Food campaign but

also campaigns of housing, public health and sanitation all over the villages. If this Government were to come to the people with the support of all the Congress Committee and the Kisan and Workers' organisations and develop a really national campaign, it would be possible to make our villagers contribute 50 per cent or even 75 per cent of the money that has got to be spent on village developmental works. All that the Government has got to do is to advance about 50 per cent, and not more than 50 per cent, say 12½ to 50 per cent, as grants-in-aid. It would be possible in all our villages within any one year to get Rs. 100 crores worth of constructive work achieved all over the country. Such a policy has got to be inaugurated. It can best be done from the Centre. If the Provinces were to be left to their own resources it will not do. I know in Madras a year and six months ago they had a scheme costing Rs. 1 crore for Harijan uplift. Bombay followed this: It could not go very far. But if from the Centre a similar effort had been made—if the Centre had given Rs. 10 crores and had asked the Provincial Governments to put another Rs. 10 crores, it would have made Rs. 20 crores, and with this Rs. 20 crores if the Provincial Governments had gone to the people and told them "you should put at least another Rs. 30 crores"—there would have been Rs. 50 crores worth achieved all over the country in all the villages. In regard to housing we know that Harijans have not got houses worth speaking about. We know that ordinary trench latrines do not exist in our villages; protected water supply we do not have. It is easy for anybody to say "all these things are provincialised." In the other dispensation all these subjects which mattered money were provincialised so that the Centre could have a very easy time. But we could not plead that now. When Pandit Jawharlal Nehru goes through the villages and the towns in the country our people do not know the difference between the Central Government and the Provincial Government and the local administration and they simply hold him responsible for their homelessness and for their various other difficulties and disabilities. It is therefore the duty of my Honourable friend the Finance Minister to help our Prime Minister as well as the Congress, now that he has taken the responsibility of serving the Congress through this Government, to prepare the necessary financial schemes so that it will be possible for us to inaugurate a scheme and carry on the reconstruction of our own rural areas.

I have got two small things to ask him. Some years ago on my suggestion Sir James Grigg agreed to set apart Rs. 5 lakhs—I have to come to figures in lakhs after speaking of hundreds of crores—for the improvement of marketing conditions, for sugarcane growers, because I took exception to the increase in the excise duty and drew his attention to the fact that the increase in the excise duty was not going to be paid by the millowners, that it was not even going to be paid by the consumers but only by the producers, the growers, because of their weaker bargaining capacity. We do not know what has happened to that Rs. 5 lakhs. After one or two years that grant also was stopped.

Similarly, last year Sir Archibald Rowlands made a similar grant for the improved marketing of arecanut. We do not know what has happened to that again. They are small sums, but they have to be taken care of to help our growers. Not sufficient attention has been paid to that aspect.

This year my Honourable friend has proposed to put an export duty on all oilseeds and also oils. I want him to spare at least Rs. 10 lakhs. As per the resolution of the Oilseeds Committee, which was established in accordance with a law of this Assembly, at least Rs. 10 lakhs would be required in order to enable these people to organise themselves into co-operative marketing societies and develop their own marketing facilities, so that the incidence of these duties need not be passed on to the growers themselves. Today it is a fact that the growers themselves are obliged to accept lower prices merely because the middlemen are so strong. Instead of taking the trouble of passing on the

[Prof. N. G. Ranga]

incidence of these duties to foreigners they have passed on the incidence of the proposed tax to our growers. Therefore, in order to help our people I want my Honourable friend to come forward with at least Rs. 10 lakhs for these people for the development of co-operative marketing.

Lastly, I want him to develop this as a matter of policy. Whenever he thinks of these export duties and excises he should make it his special task and responsibility to see that the marketing or rather the bargaining capacity of our growers is developed through co-operative development and for that purpose sufficient funds are being placed every year at the disposal of the concerned Committees of the Government themselves catering to the welfare of these people.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shrimati Ammu Swaminadhan (one of the Panel of Chairmen).]

Kazi Syed Karimuddin (C. P. and Berar: Muslim): Sir, I am very much bewildered after listening to the speech of the Honourable Prof. Ranga. According to him, the Budget proposals of the Finance Minister are against Gandhian philosophy. According to him, the Budget proposals are not acceptable to the majority of the members of this House and the Finance Minister is capitalistic in outlook and the proposals are based on the capitalist economy. If these proposals are against Gandhian philosophy, if the majority of the members of this House are opposed to it, I do not know.....

Prof. N. G. Ranga: I did not say "the majority of the members are opposed to it".

Kazi Syed Karimuddin:.....I do not know how the Honourable Prof. Ranga has signed the Report.

Prof. N. G. Ranga: For that I have given you the reasons.

Kazi Syed Karimuddin: I am sure Prof. Ranga will make a bad witness if his report is put to him in the witness box. Sir, it is an admitted fact now that the Government, or the Finance Minister, is unmindful of the criticism. There is criticism from every corner of the House that these financial proposals are not acceptable. What is the result? The result is the continuance of the same system of economy. The result is the passing of the same proposals. I begin to doubt what attitude I should take because this is the first time I am a member of this House. I find members criticising the Budget, criticising it by any name and then passing it. I do not know if this is the tradition in this House. Is it collusive criticism that the members of this House are carrying on?

Prof. N. G. Ranga: Constructive criticism, my dear friend.

Kazi Syed Karimuddin: Sir, my submission is that, if it is a fact that the financial proposals do not suit the conditions of this country, either they must be rejected or they must be modified. The Select Committee has done nothing of the kind. The only alternative to all this criticism is this, that the economy of the country should be changed. It should be a socialist economy. Then only the claims of labour and the capital can be reconciled. There is absolutely no other method by which we can increase the production in this country. As it has been stated by several members of this House, an appeal is made to the sense of patriotism of the labour to increase production and according to the Prime Minister, "Something has to be done". I am amazed that in spite of the fact that the Prime Minister has taken up an attitude that something to allay the fears of labour has to be done, there is no proposal in the Budget. I find the Budget proposals inconsistent with the policy of the Prime Minister. The Prime Minister said in his speech yesterday that why capital should be slow, he could not understand. Production is falling because there is no incentive to labour: If this is the declared attitude of the Prime Minister,

incentive is being given to the capital and not to the labour. It is understandable. The whole policy is inconsistent. The Prime Minister is saying that incentive to the labour is to be given, the Finance Minister is giving incentive to the capital, and still the financial proposals are before the House and they are signed by the Select Committee. In my opinion, the entire attitude of the Government is inconsistent. There is a difference between the economic ideologies of the Finance Minister and the Prime Minister and the economic ideologies of the members of this House and the Finance Minister.

Sir, this is no beneficial policy. This is no policy for the amelioration of the poor people of this country. This country should have a realistic attitude and lay down a policy of social economy or change the economy of this country. Let us not have an unrealistic criticism of this policy. After the bill was referred to the Select Committee, what has been done? There is a compromise between the middle classes and the capitalistic class. The limit of taxation has been raised from Rs. 2,500 to Rs. 3,000 and according to expert calculations, there is a loss of Rs. 60 lakhs and 60,000 people would gain. We are giving relief to people who do not want it or where it is not necessary to give. Several responsible members of this House cried hoarse that there should not have been taxation on tea, coffee, smoke and several things. But we give considerable relief to those who earn Rs. 3,000 and suppose they would have been taxed, what would have happened? Absolutely nothing would have happened. If Rs. 200 are taken away from them, from the income of people getting Rs. 3,000 it is nothing. But suppose from the income of a labourer, one anna on tea is taken away it would be a very considerable amount. The Finance Minister has given a long rope to the middle class or has won them over by increasing the limit from Rs. 2,500 to Rs. 3,000. In my opinion, this is very unwholesome.

Secondly, as Prof. Ranga said quite rightly that taxation on the oil seeds and vegetable oils is very unhealthy. There is in the international trade a great scope for fat and oil and there is also a big scope for trade expansion in oil seed and in vegetable oil and ghee. In the opinion of the expert Committee that was held under the presidentship of Prof. Ranga, a Resolution has been passed that the export duty on oils must be decreased. One of the members of the Select Committee who had written a minute of dissent says that taxation on push cycles should have been decreased and it did not matter if taxes on coffee and tea remained. He is the Honourable Mr. Sidhva. Everyone is pressing the claim of each class. But in the entire Report of the Select Committee there is nothing to show that any tangible thing has been done as regards the poor people. There is a reduction in taxation on tea and coffee to the extent of 50 per cent only. Now, Sir, suppose these Rs. 60 lakhs of loss on income-tax would have gone to the poor people by reduction of taxation on tea and coffee, that would have been far better. There is absolutely no reason why the limit in regard to taxable income has been increased from Rs. 2,500 to Rs. 3,000 except that there is a union between the middle class and the capitalists to the exclusion of the poor people. That limit should not have been increased. This particular amount should have been remitted in the case of the tax on coffee and tea.

There is another thing which I want to impress on the House. When this Bill was taken into consideration in the beginning I raised a point on the lines on which my Honourable friend Pandit Bhargava raised the issue, *viz.*, the way in which taxation is levied on the Hindu undivided family. At the same time I had spoken that in the case of a Mohammedan family the income-tax taxation policy is the same. The case of a Mohammedan undivided family is stronger, because in law they live as tenants in common and there is no such joint Hindu family. Anyhow I find that the Finance Minister did not even make a reference to the point which I had raised at the time of the consideration of this Bill. Therefore the proposals as have emerged from the Select Committee are not satisfactory at all and I make an earnest appeal to the Finance Minister that

considering the intensive demand of the members of the House and the demand of the country that the economy of this country should be changed, he will become alive to the situation and try next time when he comes with his financial proposals to change the economy of the country.

Shrimati Dakshayani Velayudhan (Madras: General): Madam, the only salient item in the budget proposal was the abolition of the betelnut duty. I am very glad that the Honourable the Finance Minister took the first opportunity to abolish that duty. Whether it was necessary or not it was giving a lot of trouble to many people. Especially in some parts of Cochin State there are people whose only occupation is the cultivation of arecanut palm. The Honourable the Finance Minister knows about the Cochin State and on behalf of the people of Cochin I wish to thank him for abolishing the duty on betelnut.

Shri M. Ananthasayanam Ayyangar (Madras: General): He was their Dewan.

Shrimati Dakshayani Velayudhan: That is well known and so I did not mention it. I had also complained about the duty on coffee. I know that there were members in the Select Committee who are on the side of the Finance Minister supporting him for having that duty on coffee and tea. I think that is the reason that the duty was not abolished *in toto*.

In his reply to the budget debate the Finance Minister said that there was no allotment made in the budget for Harijans, because it is a subject that is to be dealt with by the provincial governments. We find this attitude of the Central Government in the award of scholarships for scheduled caste students. The Central Government had a scheme for sending scheduled caste candidates for higher studies abroad. The scheme was started in 1944-45 and altogether 35 students were sent for foreign studies from the scheduled caste. I know that only 11 students have returned after completing their studies. In answer to a question I asked I was told that the scheme was abolished in 1946, because in the words of the Education Minister who answered the question:

"The policy of sending scheduled caste students for higher studies abroad under the scheme was discontinued in 1946 by the Scheduled Caste Scholarships Board. In 1945, twenty-two students were sent for studies abroad but in later years in view of the rather unsatisfactory result achieved by this batch the Board decided not to send any further students for advanced training abroad under this scheme."

I wonder how the Board was able to come to a decision that the result was unsatisfactory so soon after sending the students abroad and all the students had not returned after completing their studies. My information is that there was a proposal to scrap that scheme even before sending all the students who were selected for the scholarships. Then again next year only one student was sent under the overseas scholarship scheme and the Government I am told is giving some preference to students of the scheduled caste and it is said that they are selected according to the communal ratio prescribed by the Ministry of Home Affairs for purposes of appointment to services, etc. But I wonder whether the ratio can be only one. In one year they sent only one and the next year nobody was sent. If the Government have any desire to see that Harijans should be educated and that they should be given all facilities for foreign studies, it is the duty of the Government to renew the scheme and give full facilities for them to go abroad so that they can secure degrees of foreign universities. I will have no quarrel if the Government have a scheme for educating all the poor people of this country but as far as the Government have they do proper justice to those unhappy brethren of this land. This year *i.e.* no such scheme, whatever scheme they may have it is their duty to see that in 1947-48 the Government received 1,225 applications from scheduled caste students for scholarships and the Government have granted 590 scholarships so far. I beg to submit that it is not a good policy. The Government have

got the funds and it is their duty to give scholarships to at least a maximum number of students. It is a known fact that the Harijans cannot go abroad for higher studies or even for college or school studies spending money from their own pockets. The Government should give more scholarships every year to scheduled caste candidates who apply for those scholarships. One Honourable Member here mentioned about the grant of a crore of rupees by some Provincial Government. My information is that that scheme is only on paper. I wish to point out that it is not a good scheme to be imitated by other Provincial Governments. Other Provincial Governments can imitate that scheme, but they should make it a point to put it into practice, otherwise there is no use of carrying on this kind of propaganda.

Then, Madam, I wish to refer to the policy of distributing radio stations throughout the Provinces of India. I know the Government have got a scheme—I think an eight-year scheme—for supplying radio stations for the different language units. There was a Malayalam programme from the All-India Radio, Delhi, for the Malayalis abroad, but that scheme was dropped in 1946. I must bring to the notice of the House that only ten minutes are given for Malayalam programme by the All-India Radio, Madras. If you take the other language units, the Andhras are getting, I am told, one more station at Bezwada. Then there are Telugu programmes . . .

Shri M. Ananthasayanam Ayyangar: Where is the other station for turning Shrimati Dakshayani Velayudhan: It is from Madras whether major portion of the time is for Telugu programme.

Shri M. Ananthasayanam Ayyangar: It is as much Malayalam as Telugu!

Shrimati Dakshayani Velayudhan: But I have no complaint; let all the time be given for Andhra. The Telugu programmes come from Hyderabad, then from Mysore also. Then there is the other language unit, that is Kannada. There are Kannada programmes from Mysore, Hyderabad and from Bombay. Malayalam is the only language unit which gets only ten minutes a day.

In the Explanatory Memorandum provision is made for installing four radio stations in four places but I think the radio station that is proposed for Malabar will not be forthcoming soon. I wish to bring to the notice of the Honourable the Finance Minister that provision should be made to instal a radio station in the nearest future in Malabar.

I wish to make one suggestion and that is that till the Malayalam unit gets a separate radio station of its own, the Government may kindly make arrangements to broadcast a Malayalam programme from its central station and also from Madras. At least thirty minutes should be given for the Malayalam language because Malabar is the biggest district of the Madras Presidency having the largest population. So, it will be only doing justice to the people of Malabar if the time is increased from ten minutes to at least thirty minutes. I hope that the Honourable the Finance Minister will give a sympathetic consideration to the points that I have made.

Shri Krishna Chandra Sharma (U. P.: General): Sir, I sympathise with the Honourable the Finance Minister who has been subjected to very harsh criticism on a vast number of points. Well, it is the fate of every Finance Minister that he has to bear the brunt of the criticism. It is true, as Burke said:

“To tax and please, no more, than to love and be wise, is not given to man.”

So, criticism apart, there is no gain saying the fact that so far as the present problem of inflation goes his balanced Budget will go a long way to minimise its effect. For, if we look to the rise in prices then as the deficit. Budgets rose from 1939 to 1942 so the inflation comes into play and prices of commodities rise. The main factors for inflation were the expenditure on

[Shri Krishna Chandra Sharma]

war, the large employment of people—2½ million in war and 70,000 in connection with other military duties—and then of shortage of manufactured goods. These were the main factors in bringing about inflation; but the most important of them was the deficit Budget. If we look to the rise in deficit Budgets then from 1939 to 1942-43 there is a steep rise and then in from 1943 and to the end of 1945 there is some stability in prices. Again, as the deficit rises in the Budget from 1944 to 1947 there is again a steep rise. So, comparing that we find that as the deficit in the Budget rises, so do the prices and so comes into play the inflationary tendency.

This balanced Budget, I hope, will go a long way to meet inflation. So far as inflation is concerned, he can take the credit of devising means to combat it. But to a certain extent inflation is not the result only of deficit Budgets but of shortage of manufactured goods as well. So the next problem after the deficit is that of production. The Honourable the Finance Minister has given relief to the capitalists in the hope that there would be increase in production. I think the problem has not been rightly appreciated. As Mr. Shastri said, it is not only the economic problem with regard to labour, that they are not willing to put in their best in the matter of production. The main problem is more of social nature rather than economic. Capitalists are not well-trained; they have no scientific training; their management is bad and unscientific. I have been an arbitrator in many labour troubles, and from my experience I find that a man who is not fit to be employed as a *patwari* is put in charge of thousands of persons; he has no method of tackling the labour problems, to meet their demands, to pacify them. And more often than not the trouble arises not on economic issues but on beating a worker, abusing him, kicking him or ill-treating him. This is a sort of thing which can be tackled very easily by having good management, by having trained men. A man who is not fit to work as a *patwari*, who cannot be entrusted with a *patwari's* work is put in charge of thousands of people. Their own relations, without any education, without any training, without any foresight, are managing or rather mis-managing the fate of the people.

To appreciate the situation you should go back to the rise of capitalists in this country. You cannot compare the capitalist of India with the capitalist in foreign countries.

Capitalists in foreign countries have some training; they have a tradition behind them; they have built up industries by years of hard work.

While it is true that they are making profits, they are proud of the fact that they in turn have given something to the community and their country as a whole. Look at the picture in India. Capitalists here have neither any tradition to look upon nor any training. They have no conception of human values. Their only aim in life is to accumulate wealth and more wealth. What that accumulation is intended to serve they do not know. Money for money's sake is their motive. It would therefore, be not a right course to put them in charge of the nation's industries. The labour feels that the capitalist in whose hands its fate rests is inhumanly unsympathetic. It thinks that the man who bosses over it is inferior to him. It is, therefore, impossible in the nature of things to expect the labourer to co-operate with the capitalist under these circumstances. Look for instance, the law reports of foreign countries. You will not find a single case that a man has not been marked present, that his over-time is not marked in the register. There they have trained men who are regularly put on one work, while in India there is no fixity of employment. Men are constantly kept changing, all with a view to deprive them of their legitimate wages. There are no regular hours of work and women are made to work without any shelter. In fact the provisions of the Factories Acts have become a dead

letter. How in the world can you expect the labourer to co-operate with such a capitalist?

Capital in the modern sense is a dynamic force. It cannot remain in a static state. Capital must come into the market. What is lacking in India is the training in the capitalist. He is an untrained man. He has money enough, he wants more money but to no end. In the majority of cases he has amassed this capital by black-marketing, profiteering and evasion of taxes. The best course, therefore, would be that the capitalist should be heavily taxed, and out of the money which thus flows into the Treasury, the Government should subsidise industries and exercise some effective control. The State should take charge of the major industries and run them on national lines, so that the labour may co-operate, the people may co-operate and trained men may come to manage the whole affair.

The last point I would like to mention is about the introduction of a sort of 'conscription'. In the course of the last war about 2½ million people were employed in military and about 70,000 people were employed in other works connected with the military. These people have saved a lot of money. There was no scope for spending this money as consumer goods were in short supply. That money could not be spent on house-building operations as building materials were in short supply. The peasant and worker too had enough of it. People are, therefore, reluctant to do any work, as they have some money to fall back upon. It is high time that the State takes recourse to some sort of legislative measure or an ordinance to 'conscript' people to do work. Without such a measure I do not see any means of marshalling the vast man-power in this country.

Prof. Shibban Lal Saksena (U.P.: General): Madam, I am very sorry to find that even though the world situation, is so threatening yet we do not seem to realise how critical and dangerous is the situation in which we stand. This budget may land us into a disaster—that is what I feel. It is a budget probably not at all different from the budgets of olden days. Only yesterday our Prime Minister said that war clouds are hanging over the horizon and we cannot be sure that we shall be able to work out any definite plan of development. If that is the position, then I do not know where we stand.

This budget does not show us any prospect that our country would become what it ought to be in a short period of time. I have read the Birla Plan; I have read the Roy's plan; I have read other plans also. The Birla plan envisaged our spending about 1500 crores of rupees in the course of the next fifteen years, which would raise our standard of living by three times. The Roy Plan envisaged our raising the standard of living fourfold in the course of the next ten years. It is now six months since we have come into power. This budget does not earmark any amount which can be said to be sufficient to carry out any of these plans; that means one year will pass without our doing anything. The other day the Finance Minister said that even next year we will not be able to provide anything for this purpose which means two and a half precious years will be wasted without our attempting to do anything to improve the standard of living of the masses.

Our Prime Minister has said that we shall follow an independent foreign policy and shall not join any of the two power blocs in the world today. Do you think we can maintain this policy unless we are able to stand on our own legs? And can we do so unless we put some plan into execution? I think this budget—which my Honourable friend Prof. Ranga called a capitalistic socialist budget—will not help us in the least. In fact this may spell a disaster and when war comes we will be unprepared and we cannot turn for help to any quarter. In fact I had hoped that in view of our present critical situation we would proceed in such a manner as if we were in the midst of a

[Prof. Shibban Lal Saksena]

war. I will quote some figures to show how Russia has progressed; you will find that they were able to multiply their key products sometimes by as much as 1600 per cent. In ten years—1929-38—their coal production went up by 566 per cent., electricity by 210 per cent., peat by 1600 per cent., iron ore by 300 per cent., manganese ore by 225 per cent., pig iron by 350 per cent., steel ingots by 450 per cent., rolled steel by 400 per cent., copper by 500 per cent., and gold by 300 per cent. That is how their production went up since they started their planning, and that is how they could stand up and face the great world war. Now look at our expenditure during the last ten years. In 1939-40 our total budget was for 121 crores of rupees, in 1940-41 it was for 125 crores, in 1941-42 for 186 crores, in 1942-43 for 347 crores, in 1943-44 for 493 crores, in 1944-45 for 560 crores, in 1945-46 for 485 crores, in 1946-47 for 381 crores, in 1947-48 for 185 crores, and in 1948-49 for 257 crores. Thus we find that at the peak of the war, our country could afford to incur an expenditure of 560 crores of rupees to meet an emergency. I think we are in a state which is even more dangerous than war, and this is just the time when all our resources should have been tapped to the very limit to be utilised to develop the country. Could not our Finance Minister find the same amount of money this year to finance our development plans? Some plan should have been taken in hand and money should have been set apart for it, so that our country may come in time with the great countries of the world within the next ten years. But nothing has been done in that direction so far. Therefore I say that everything is going on in a strange fashion: there is neither a development plan nor a rehabilitation plan nor an employment plan. We are turning out into the streets thousands of Government servants who have put in years of service, without providing any alternate job for them; and people are coming from the Punjab and other places whom also we cannot provide with work. This planless economy will lead us into disaster. Why should we not think that we are really living in war time and so arrange things that we are able to utilise the energy of every single man and all our resources to rise to our stature in a short period? According to Roy's Plan:

"It is estimated that at the end of ten years agricultural production will increase by 400 per cent. or more, and industrial production by 600 per cent. The standard of living of the masses will rise by 300 per cent. exclusive of the services such as health, education and housing which will be provided for them."

Today we are importing food from outside and that takes away all our resources. If we have a really good plan for agricultural development we can increase our food production by four times in ten years. There is nothing being done towards that, and the result will be that all this precious time will be wasted and we will be nowhere. I may warn you that if we go on in this manner we will not be here next time because the public will not stand our idleness and our way of handling things. They are watching us, they have high hopes from us. But if we betray them in this manner we will be nowhere. I wonder why no such plan is made when today the world is feverishly busy in preparing armies. The other day an Honourable Member pointed out that even with this expenditure of 137 crores on the army we can build up four times the present army. I looked at some figures and I found that there are staff colleges and other training centres, and the staff therein is fairly competent and fairly large. In fact in the Air Force there are 369 officers, 3214 airmen and 2307 others for training, but I doubt if the entire training capacity of the college is utilised; I think many more could be trained. Similarly in the Navy we have staff colleges but they are not producing all the trained personnel that they can produce. I therefore think that it is time we took up this matter and made the maximum use of our capacity. In fact I have been trying to compare the figures of the army in America and England; and I find that our army expenditure is 3 per cent. of the American expenditure and 11 per cent. of the expenditure in England, and they produce much

better equipment and much better soldiers per dollar than we do. I think we should now try to bring ourselves in line with these countries. This kind of conservative unplanned economy will not lead us to our salvation, and unless we try to improve I do not know where we shall be. Today I was sorry to hear the Prime Minister announce the Government's decision about the I.N.A. I am one of those who think that the I.N.A. deserved much better treatment from us. They were the finest treasure left for us by Netaji Subhas Chandra Bose, and we should have made the best use of them. During the elections they went about the country and turned the tide in our favour. But the way we have treated them is scandalous. To say that we shall not reinstate them in the Army is really to yield to those very people who betrayed us at that time. You will remember that when the I.N.A. trial was held, there was a great agitation in the army for their release. In fact a referendum was taken and 95 per cent. were in favour of releasing them. Today our Government says that they will not be reinstated, because the Army does not want to have them. I think it is a betrayal of the pledges given to the country during the elections. I think it is an issue on which a referendum should be taken. We have no right to say that these I.N.A. heroes shall not be reinstated in the face of the clear verdict of the electorate during the last elections demanding their reinstatement. It is a vital matter and I feel strongly about it. As my time is over, I cannot dilate upon the subject, but I warn our Government of the consequences of such betrayal of our solemn pledges repeatedly.

Shri Brajeshwar Prasad (Bihar: General): Sir, I rise to offer a few suggestions to our Minister for External Affairs. The international situation has undergone rapid changes during the last few weeks. A western union has been formed consisting of England, France, Holland, Belgium and Luxembourg; Italy and France have joined a customs union; Czechoslovakia has chosen to join the Soviet bloc; America has been placed on a semi-war footing. As a result of these changes, I think, our policy of neutrality requires re-orientation. In Europe only Switzerland could pursue a policy of neutrality, but she pursued that policy because that policy was guaranteed by almost all the big powers of Europe. If we want to pursue a policy of neutrality, we must see that our independence and neutrality are guaranteed by the three big powers of the world,—England, America and Russia. I think that all alone, standing in a state of splendid isolation, ploughing a lonely furrow we cannot pursue a policy of neutrality. We must enter into some sort of treaty or pact with our neighbouring countries if we are to pursue any policy of neutrality. The whole problem of a foreign policy is to be pursued from a Geo-political point of view. Let us not approach the problems confronting us from any communal angle of vision or with bitterness against those separated from us. It is Geo-politics which determines the foreign policy of each and every State. Unless we come to some sort of defence treaty with Malaya, Burma, Nepal, Ceylon and Pakistan, we cannot survive as a sovereign independent nation. With the naval base at Trincomelli, with Malaya having entered into a special form of treaty with Great Britain, with Pakistan always ready to come to terms with England and America, how far can we pursue a policy of neutrality? I do not know. I think that a more positive and forward policy has to be pursued. When England cannot pursue a policy of neutrality; when she has already allied herself in more definite terms with the American Commonwealth of Nations; when America has got herself interested in the internal domestic affairs of almost all the countries of the world; when Russia is trying to expand herself; how can India alone pursue a policy of neutrality? We require capital goods to maintain ourselves as a first-class strong power. If we are to get capital goods, the only country to supply them is America. America will never supply us capital goods if we say we are going to pursue a policy of neutrality. We must pay the price and the price is co-operation in

[Shri Brajeshwar Prasad]

the event of war. We can pursue a policy of neutrality to which we are wedded only if war does not break out for the next ten years. If war breaks out within that period, we will have to relinquish that policy. If there is no war for a period of ten years, then we would get capital goods from America. But if war breaks out, within two or three years, we would not be in a position to maintain our separate entity as a neutral power, unlike Turkey in the last war, because we are placed at the head of the Indian Ocean. It is too strategic an area. India can never be allowed by England and America to plough its lonely furrough. Russia will not spare us because we want to remain neutral. The fact has to be appreciated that we are in the Anglo-American Bloc. If we realise fully this fact, we must mould our actions and ideology. We must mould our policy according to the realities of the situation. We say that our foreign policy is based upon national interests, but in our minds there is confusion. The need of the hour is the establishment of an Institute for the study of Geo-politics. Geo-politics has been developed to perfection in Germany and America. I hope the Education Minister in co-operation with the Finance Minister will see to that within a short time an institute for the study of Geo-politics is established in the country. It will weaken the forces of communalism. It will democratise our foreign policy. Today our foreign policy is formulated by a handful of I.C.S. officers in the External Affairs Department. I think the best course for us is to assure those from whom we want capital goods that we will support them in the event of a war. Unless we do that, you will not get capital goods.

The American Ambassador in a recent speech in Delhi said that India will have to remain content with an agricultural economy and light industries. I know, in spite of the statement of the Finance Minister in this House, that if we become a member of the Anglo-American Commonwealth of Nations, the compulsion of events will impel the Anglo-American Governments to supply capital goods to us. Capital goods were supplied during the last war. We all know about the lease and lend arrangements and the vast supply of capital goods to Russia and to other countries of the world. I therefore fail to see why in the event of a war, America will not supply capital goods to us. If we clearly admit that we will join England and America in the event of war with the Soviet Union, we will get capital goods. It is also necessary that we come to some terms with the Government of Pakistan? I have my own feelings about the separation of this country. But what is past is past. We were opposed to the separation of this country on grounds more than one. We were opposed because we considered India to be one from the Himalayas to Cap Comorin. Even now I refuse to recognise the legal fact of partition. Before the British came into the country, India was divided up into a large number of different kingdoms, but in language, culture and thought India has always been one. We maintained that in the interests of the military defence of the country, we cannot allow Baluchistan, Sind, the Frontier, Western Punjab and Eastern Bengal to fall into alien hands. In spite of our protests and unwillingness, events have compelled us to agree to partition. As in the past, so even now, it is necessary that the defence of Pakistan and India must be co-ordinated. If they are not, there cannot be a proper defence of either Pakistan or India. I approach this problem only from a Geo-political point of view. I feel that the hand of fellowship and co-operation extended by Mr. Jinnah should be grasped. He has laid down certain conditions. I do not attach any importance to these conditions. The fundamental fact is that he wants a defence pact with India. The possibilities must be explored. Without such a defence pact, there cannot be peace and safety in this continent.

We should remain within the British Commonwealth of Nations. There is some sort of talk that there is a new Mountbatten Plan to integrate all the vari-

ous parts of the empire into a federation. If this is so, I think the Prime Minister should with due consideration to the interests of peace and safety of all lands in Asia, join this Federal Union.

Shri S. V. Krishnamurthy Rao (Mysore State): I want to confine my remarks to two items—tea and coffee. We expected that the Bill when it emerged from the Select Committee, would do away with the excise duty on tea and coffee. But we find that the excise duty has been only reduced. Of course in spite of the Finance proposals being known, the price of tea has not gone up because tea is a capitalist industry. The tea estates are mostly owned by the Europeans. They are more than 500 acres in extent and the tea that is exported is consumed by Europeans either in England, Australia or Canada. I do not see why the Indian consumer should be made to pay more for his coffee and tea than his compatriot in England, Australia or America whose average per capita income is at least a hundred times more than that of the Indian consumer.

The position in respect of coffee is entirely different. Out of 25,872 coffee plantations only 541 coffee estates are of more than 100 acres. Out of the remaining 24,365 acres they range between five and twentyfive acres. All the coffee estates are mostly owned by Indians. It is only coffee plantations more than 100 acres in extent that come under the benefit of the coffee pool under the Coffee Board. All the small planters are paid a fixed price when they deliver their coffee to the Coffee Board. As soon as these financial proposals were made known, the price of coffee shot up. If we only read the proceedings of the Madras Assembly it is a revelation by itself. The position of coffee has become very acute. Whether it is due to the policy of the Coffee Board or to the middlemen, the Indian consumer has to pay more and the planter is not benefited. In fact, the Indian coffee production is only 18,000 tons. Out of this the normal Indian consumption was about 6,000 tons a few years back. On account of the propaganda carried on by the Board, the Indian consumption has gone up to 12,000 tons. Tea is a cheaper drink than coffee. If the coffee drinkers only switch on to tea, it will be a hard job for the coffee planters to get them back to drink coffee. I am particularly interested in this because more than 50 per cent of the Indian coffee is grown in the Mysore State and the remaining 50 per cent is grown in Coorg and Wynad. Further, if once the people addicted to coffee switch on to tea it will be very hard for them to get back to coffee. Once a tax proposal is placed on the statute book it is also equally difficult to get it removed. The same argument was advanced when the betelnut tax was imposed, namely, that the grower will not have to pay it. We know how it affected the betelnut growers. Today the coffee planter has to pay nearly Rs. 320 per maund on ammonium sulphate to wit only Rs. 80 before the war. Groundnut cake before the war was Rs. 50 per ton. Today it is Rs. 130 according to the government rate and Rs. 200 in the black market. And cost of labour has gone from one to three. If this tax is imposed I am afraid both the consumer and the coffee grower will be put to very great difficulties and the coffee industry will be killed. We may see ere long that the coffee estates are denuded and instead tea estates growing under European planters.

The cup of cheer has become today a cup of taxes. One has to pay the tax on sugar, on coffee and perhaps on the foreign imported milk powder that he has to use. The price of milk has also gone up. In fact it is not only a cup of taxes; it has become a cup of tears. There is no justification for imposing this excise tax on coffee. On behalf of the coffee growers and the consumers I plead with the Finance Minister that even now he may reconsider this proposal and remove this excise duty on coffee at least.

[Shri R. K. Shanmukham Chetty]

The Honourable Shri R. K. Shanmukham Chetty: Madam, the debate on the last stage of the Finance Bill has again covered a very wide range. Except the last speaker no one else made any reference to the actual proposals as they have emerged from the Select Committee. From that I draw the natural inference that the House on the whole is satisfied with the Finance Bill as it has been shaped by the Select Committee. That will make the task of the consideration of the clauses tomorrow comparatively more easy.

My Honourable friend Mr. Karimuddin has repeatedly mentioned on the floor of this House that my economic ideology and programme are in conflict with those of the Honourable the Prime Minister. He has repeated this charge on more than one occasion and I must therefore take this opportunity of entirely repudiating that suggestion. We are inclined to attach too much importance to mere ideologies—not that I minimise the need for a man having ideologies, but when a statesman puts his hand to the task of governing a country he must mould his ideology to the practical necessities of the situation and the time. If that is the task of those entrusted with the government of this country then I claim that as a loyal colleague of the Honourable the Prime Minister it will be my constant endeavour to translate into action all those ideologies for which he stands. (Hear, hear). If I had any objection to carry out my task in that spirit I would not be sitting on these benches. Let us not therefore hear any more criticism about this so-called difference in the ideologies amongst Members of the Cabinet.

Mr. Naziruddin Ahmad (West Bengal: Muslim): But the House criticized the Honourable Minister very severely.

The Honourable Shri R. K. Shanmukham Chetty: We in the Cabinet are working as one united team with a common, determined purpose to serve the country to the best of our ability.

I think it was my Honourable friend Mr. Karimuddin who on a previous occasion compared my budget proposals with the budget proposals of Mr. Liaquat Ali Khan in the 1947-48 budget and pointed out how I have gone back on the ideal of that budget which was supposed to be in the interests of the poor man. After August 1947 Mr. Liaquat Ali Khan and his colleagues had an unrestricted field to practise their ideology and I would invite Honourable Members to examine the latest budget of the Pakistan Government to find if the ideology that was forced down our throats in 1947 by Mr. Liaquat Ali Khan is being practised in their own state. (Hear, hear). In fact, my Honourable friend will be surprised to know, if he does not already know, that the Government of Pakistan have gone to the extent of proclaiming that for five years they will not tax any new industries that come into existence. It is all easy to try experiments at somebody's cost. There is a proverb, Madam, in Tamil which says that a woman wanted to find the depth of a well and she got hold of her neighbour's baby and dipped that baby into the well to find the depth of the well. I am not prepared to use my own baby to find the depth of the well, nor am I prepared to use my neighbour's baby for that purpose. If I wanted to find the depth of the well, I would find it out by more straightforward means. I made it perfectly plain on the previous occasion that I did not in the least attempt to translate in this Budget all those ideals for which many of us stand. I conceived my task primarily as one of clearing the ground, as it were, for the building up of our economic structure. In the very first year of our existence as an independent State when the credit of our country was likely to be shaken in the eyes of the world, it was the primary duty of the Finance Minister of the Indian Union so to regulate the national finances as to inspire confidence not merely amongst the people of India but amongst the people abroad, and I claim with some pardonable pride that the presentation

of our financial position that I have made in the last Budget has very considerably achieved that object. I have cleared the ground, as it were, on which we might construct the superstructure of the economy according to the pattern that Prof. Ranga and others have in mind.

I contend further that even with the limitations under which I was working, we have placed our taxation structure in such a manner that there can be no concentration of wealth in a few hands. If a man earns one lakh of rupees earned income, we will take away from him by way of tax Rs. 48,344. If a man earns Rs. 10 lakhs, we will take away from him 8 lakhs and 99 thousand by way of tax, and if a man is unfortunate enough to earn an income of Rs. 30 lakhs per year, we will take away from him Rs. 28 lakhs and 37 thousand by way of tax.

Mr. Naziruddin Ahmad: But there is tax-evasion.

The Honourable Shri E. K. Shanmukham Chetty: Under our tax-system, therefore, no honest man who pays his tax can become a millionaire. People in our country can become millionaires and multi-millionaires only by dishonest means, but that is a different problem altogether and it is a problem in the solution of which we must all put our heads together and in that task you will not find any member of Government, whether he is a capitalist or a socialist, lagging behind even the most arduous socialist in this House.

I welcome the offer made by my Honourable friend Prof. Ranga that the middle classes would now be prepared to help their own National Government to raise the public loan necessary for our developmental schemes. That is exactly the psychology that I want to create. Unfortunately, all these years we have depended far too much on a few rich people and a few banks for finding all the money that we want by way of loans. We must now broaden that structure. After all, in our country, we have not got many rich men. Here are some interesting statistics. The total number of assesseees who have got an income of Rs. 2 lakhs and over per year is only 415 in the whole country in a population of 320 millions,—I am of course excluding the Companies. I am talking of individuals and firms—and the total number of Hindu undivided families in this category is only 68. Now these 415 people have got together an annual income of 19 crores of rupees and out of that we take away Rs. 11 crores and 66 lakhs by way of taxes. Now, why should be depend upon these 400 people for the hundreds of crores of public loan that we want? Analyse the picture from a different point of view. Take the number of people whose annual income is between Rs. 3,000 and Rs. 10,000—what I might call the middle classes. They are 1,75,436. Their total income is Rs. 95 crores and we take away from them by way of tax only Rs. 5 crores and 86 lakhs per year. Therefore, we are leaving with this class which is the backbone of society a considerable margin of saving which we must tap to meet our requirements of public expenditure by way of loans. I do hope that the next loan programme that the Government will be launching in the near future will be marked by this special feature that the response will come from this large volume of the middle classes who are really the backbone of the country, and if only we can bring about that change in the psychology of the people, then we would have laid the foundations of the sound economic structure of the future.

My Honourable friend Prof. Ranga spoke about the tenets of Gandhian socialism. I will not attempt a detailed answer to him as to how far I am a believer in those tenets and principles, but the hard fact remains that—whether you like it or not—the economic and political circumstances in the world force us to adopt some at least of the Gandhian tenets of socialism. Take, for example, the emphasis on cottage industries and small scale industries. In spite of all our ambition for the large scale economic and industrial

[Shri R. K. Shanmukham Chetty]

planning of our country, the condition in the world today is such that with all the efforts in the world that we can put forth, there are very considerable limitations to the realisation of this large scale industrial programme. The force of necessity therefore drives us today to look to industrial development on the cottage and the small scale. In fact, development of our industrial system on this basis is necessary if we are to save our country from the disastrous effects of the inflationary tendency.

Now, what is happening today? Prices are mounting up. With every increase in price level, there is a legitimate demand for increase in wages and salaries and if in such a situation we launch upon a large scale programme of public expenditure in building roads or dams or manufacture of capital goods, you are aggravating the situation by pumping more purchasing power into the hands of people without at the same time creating the consumer goods which will absorb that purchasing power. If therefore our programme of large scale public expenditure is not to land us in disastrous consequences, it becomes necessary as a measure of sheer self-protection that we must develop our cottage and small scale industries for the production of the consumer goods to meet at least part of the demand for these goods.

Now, in this line, Madam, I would earnestly appeal to Honourable Members to apply their mind and to co-operate with the Government in doing something concrete in starting the Industrial Co-operatives, as they did in China. Co-operative enterprises, as Prof. Ranga said, are one of the pillars of the Gandhian socialism. So far as that is concerned, I am wholeheartedly in support of that measure. In fact, it is an intermediary stage between complete private enterprise and complete State enterprise, because in the industrial co-operatives you take away profits that go into the hands of a few people. You create all those motives of private enterprise and initiative associated with individual enterprise and produce a system of economy which avoids the evils of government enterprise and the dangers of mere state socialism. I certainly would support any scheme for promoting industrial co-operatives in the country and if any finances are needed for this purpose I certainly will find the finances. In fact, I would appeal to Honourable Members to look at our whole economic future in a more realistic attitude. India, after all, has been a crucible of ideals, ideas and cultures. It was in this great crucible that many cultures, many religions, many philosophies have been melted to produce an integrated unity. India is a land of synthesis of cultures and may we not hope that even in the field of economic development, instead of creating a conflict between private enterprise and state enterprise, we may evolve a synthesis of the two, so that we would create a new economy, in which we will keep up all the grand ideals of state socialism and all the great qualities associated with private enterprise and initiative. I personally think that looked at from that point of view there is a great future for the industrial development of India on a pattern peculiarly suited to our national genius.

My Honourable friend Mr. Harihar Nath Shastri asked me for a categorical answer whether I stood by the promise that I gave the Industries Conference that the Government of India will assume a considerable share of the responsibility for the housing of industrial workers. I stand by that pledge. Not only do I stand by that pledge but I may tell my Honourable friend that I have told my Honourable colleague the Minister of Labour that if he produced a scheme I will find the finances for it. The housing scheme therefore is not being held up for want of funds or for want of inclination on the part of the Ministers of the Government.

There was a suggestion that a special cess or a special excise duty should be levied, the proceeds of which should be ear-marked for the housing scheme. I am certainly opposed to that because I consider

that the earmarking of any taxes specially for a particular purpose is a very vicious system in any financial structure. If it is the duty of the State to build houses for its workers it is the duty of the State to find the money for it and not say that unless we raise a special tax for it we cannot find the money. In fact, my Honourable friend Mr. Shastri will be glad to know that I have had discussions with my Honourable colleague the Labour Minister on this point and a scheme is being worked out. I do not know what the ultimate scheme would be but in broad outlines it will be something like this. There will be a Housing Board which the Central Government will set up and the Central Government will advance to this Housing Board all the money that is required for the entire housing scheme of the industrial workers in the form of a loan.

Mr. B. K. Sidhva (C. P. and Berar: General): Only industrial workers?

The Honourable Shri B. K. Shanmukham Ohetty: It must include agricultural workers also afterwards: why not? This loan is to be financed by an elaborate system of the sharing of financial responsibility between the Central Government, the provincial governments, the employers and the workers. The annual amount required for meeting the interest charges, the depreciation, maintenance of the building and the funding of the debt will be found by a sharing of those charges between these parties. The industrial worker would be asked to pay an economic rent suited to the wage that he earns: it will not be an undue burden. The industrialist will be asked to make a contribution also and the balance will be shared between the Central Government and the provincial government. I have got in my own mind the rough outlines of a scheme of this nature which I have expounded to my Honourable colleague the Minister for Labour and I am hoping that within a very short time he will come out with a concrete scheme in this respect.

After all the problem of housing our workers cannot be solved in a day: it will take some time. Even the Labour Minister's scheme of a million houses in the course of ten years is considered by some people as a very ambitious scheme. I do not think it is an ambitious scheme: rightly tackled it is a practical scheme. Here again we must change our castiron ideas in these matters.

When we talk of industrial housing we immediately visualise in our mind huge ugly structures rising in the midst of big industrial towns. That is not my conception. In so far as certain industries are already located in thickly populated towns like Bombay, well they are there. That problem should be met and solved. But in planning our industries for the future we must so plan the location that instead of taking thousands of workers from their homes into a crowded town we must take the factory to where the worker is. That is the modern tendency in the United States also and that tendency is in evidence in some of the areas in India itself. Take, for example, my own town of Coimbatore. In the midst of the city itself there are only 3 or 4 old mills and all the other 28 mills that came into existence since 1929 have been built on the outskirts of the Coimbatore town right in the midst of villages. In fact, in my own mill more than 50 per cent of the workers come from their homes in the villages and they have to walk not more than a mile or two. I would rather plan my housing scheme in such a manner that instead of simply pulling the workers out of their own homes and environments and putting them in unhealthy surroundings and slums we must do something to improve the conditions of their own homes, so that these workers might live in their own natural and healthy environments. If the housing problem is tackled in this manner I have not the slightest doubt in my mind that in the very near future the Government will evolve a scheme which will certainly satisfy my Honourable friend Mr. Shastri.

[Shri R. K. Shanmukham Chetty]

Various other special points were mentioned. My Honourable friend Mr. Shiva Rao laid emphasis on the need for the appointment of an economy committee to look into the Defence budget. He himself pointed out the difficulties of an economy committee relating to Defence working under the present conditions. But in spite of these difficulties I certainly agree with him that there is a great deal of scope for economy in our defence budget and I shall certainly discuss with my Honourable colleague the Defence Minister the advisability of setting up an economy committee for this purpose.

My Honourable friend Prof. Shah of course criticised my budget proposals from the point of view of the conceptions of the new economy which he has been preaching in this House. I myself must confess that my own ideas of economics were very largely moulded in my student days by the wonderful books that Prof. Shah himself wrote. If therefore he finds that there is something wrong in me today I do not know whether he has changed or whether I have been a bad student! In any case, as I started by saying when you really scratch the surface you will find all these differences in ideologies but when you go deeper and apply your mind to the solution of the practical problems which face us there are more points of contact and agreement amongst us than points of difference and the more we emphasise these points of agreement the better it would be for the future of the country.

Shri Bikramlal Sondhi: What about trunk telephone rates?

The Honourable Shri R. K. Shanmukham Chetty: Madam, my Honourable friend Mr. Sondhi wants me to make an announcement to which I made a commitment to the Select Committee. We have increased the ^{5P.M} trunk telephone rate by 20 per cent. Now, I have agreed that so far as Press trunk telephone rates are concerned, there will be a rebate to the extent of this 20 per cent.

Mr. Chairman: The question is:—

“That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee, be taken into consideration.”

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Tuesday the 30th March, 1948.