

Thursday  
22nd December, 1949

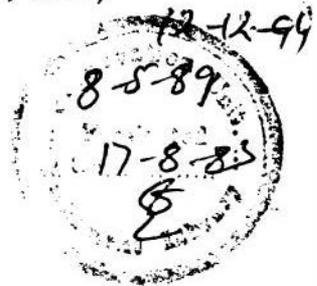
THE  
CONSTITUENT ASSEMBLY OF INDIA  
(LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

VOLUME IV, 1949

*(28th November to 24th December, 1949)*



SIXTH SESSION  
OF THE  
CONSTITUENT ASSEMBLY OF INDIA  
(LEGISLATIVE)

1949

**CONTENTS**

VOLUME IV—28TH NOVEMBER TO 24TH DECEMBER, 1949

	PAGE
<b>MONDAY, 28TH NOVEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	1—36
Unstarred Questions and Answers . . . . .	37
Statements laid on the Table . . . . .	37
<b>TUESDAY, 29TH NOVEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	39—68
Unstarred Questions and Answers . . . . .	68
<b>WEDNESDAY, 30TH NOVEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	69—107
Unstarred Questions and Answers . . . . .	107— 68
<b>THURSDAY, 1ST DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	109— 44
Unstarred Question and Answer . . . . .	144
<b>FRIDAY, 2ND DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	145— 79
Unstarred Question and Answer . . . . .	179
Short Notice Question and Answer . . . . .	180— 81
<b>MONDAY, 5TH DECEMBER, 1949—</b>	
Declaration by Members . . . . .	183
Starred Questions and Answers . . . . .	183—216
<b>TUESDAY, 6TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	217— 54
<b>WEDNESDAY, 7TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	255— 82
<b>THURSDAY, 8TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	283—315
Unstarred Questions and Answers . . . . .	315— 16
<b>FRIDAY, 9TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	317— 44
<b>MONDAY, 12TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	345— 72
<b>TUESDAY, 13TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	373—413
Unstarred Questions and Answers . . . . .	413— 17
<b>WEDNESDAY, 14TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	419— 55

	PAGE S
<b>THURSDAY, 15TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	457— 94
Unstarred Questions and Answers . . . . .	494— 95
<b>FRIDAY, 16TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	497—528
Unstarred Questions and Answers . . . . .	528— 30
<b>MONDAY, 19TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	531— 61
Unstarred Questions and Answers . . . . .	561— 62
Short Notice Questions and Answers . . . . .	562— 64
<b>TUESDAY, 20TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	65— 92
Unstarred Questions and Answers . . . . .	593— 94
<b>WEDNESDAY, 21ST DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	595—627
Unstarred Questions and Answers . . . . .	627— 31
<b>THURSDAY, 22ND DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	633— 61
Unstarred Question and Answer . . . . .	662
Short Notice Questions and Answers . . . . .	662— 66
<b>FRIDAY, 23RD DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	667— 94
Unstarred Questions and Answers . . . . .	694— 95
Short Notice Questions and Answers . . . . .	695— 98
<b>SATURDAY, 24TH DECEMBER, 1949—</b>	
Short Notice Questions and Answers . . . . .	699—705

# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

## PART I.—QUESTIONS AND ANSWERS

Thursday, 22nd December, 1949

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

### STARRED QUESTIONS AND ANSWERS

#### (a) ORAL ANSWERS

\*828. [WITHDRAWN.]

#### PREFABRICATED ONE-ROOM TENTS

\*829. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Rehabilitation be pleased to state whether a prefabricated one-room tent made of hardboard is going to be introduced in India?

(b) Is it a fact that this tent would substitute the ordinary tent?

(c) What is the cost of such a tent and where are such tents going to be erected?

(d) Have Government given contract to any firm to manufacture such tents? If so, what is the name of the firm, and what is the rate at which the contract has been entered into?

(e) When are these tents likely to be completed and what is the total number of tents for which the contract has been given?

**The Honourable Shri Mohan Lal Saksena:** (a) and (b). Yes. Government have placed an order for 1,000 one-room hardboard huts to be imported from Sweden. The hardboard huts or tents, if one may so call them, will be used to provide temporary accommodation to displaced persons for residential and trade purposes.

(c) Rs. 470 per unit. A small number will be installed at suitable sites in Delhi.

(d) Yes, a contract has been placed with a Swedish firm, Aktiebolaget Sveaexport, Stockholm.

(e) Import and erection of these hardboard huts is likely to be completed before the end of the current financial year. Only 1,000 huts are being imported.

**Shri R. K. Sidhva:** Will these tents be available for sale to the public also besides the refugees?

**The Honourable Shri Mohan Lal Saksena:** No.

**Shri R. K. Sidhva:** May I know whether any contract has been placed or negotiations are being carried on with this firm for the construction of *pucca* timber houses also?

**The Honourable Shri Mohan Lal Saksena:** So far as my Ministry is concerned, no such negotiations are going on.

**Shri R. K. Sidhva:** May I know whether negotiations were being carried on for such houses with Finland, Denmark and Poland, and if so, whether any quotations were received from them?

**The Honourable Shri Mohan Lal Saksena:** No other negotiations are being carried on.

**Shri R. K. Sidhva:** I want to know whether any tenders from Finland, Poland, etc., were invited for these houses.

**The Honourable Shri Mohan Lal Saksena:** No, Sir.

**Pandit Lakshmi Kanta Maitra:** What is the average life of these prefabricated tents?

**The Honourable Shri Mohan Lal Saksena:** It is expected to be at least five years.

**Shri S. Nagappa:** May I ask whether before placing orders, Government have examined the durability and utility of these tents, and if so, were Government satisfied?

**The Honourable Shri Mohan Lal Saksena:** Of course we were so advised by our experts, and therefore we placed the orders.

**Shri R. K. Sidhva:** Was any sample tent exhibited here before the order was placed?

**The Honourable Shri Mohan Lal Saksena:** As a matter of fact, a specimen tent was erected out of materials available in India, and the specimen of timber was shown to our experts.

#### DISTURBANCES IN SUKKUR

\*830. **Shri B. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that in the month of August 1949 a serious riot took place in Sukkur (Sind)?

(b) If so, what was the cause of the riot and how many were killed and how many were injured?

(c) Was any property looted and if so, what is the total damage caused?

(d) Have Government made any representation to the Government of Pakistan in this respect?

(e) Since the above incidents have any Hindus left Sind and if so, how many?

**The Honourable Shri N. Gopalaswami Ayyangar (Minister of Transport and Railways):** (a) Yes. The riot started on the afternoon of the 31st July, 1949.

(b) The trouble started following the forcible occupation of a residential home of a Hindu by a Muslim refugee and the attempt of the police to evict the trespassers. The casualties officially reported are 11 dead and 29 injured.

(c) Yes, but the total damage caused by the riot is not known.

(d) Our High Commissioner approached both the Government of Pakistan and the Government of Sind immediately on hearing of the riot. He was informed of the official version of the incident by the Government of Pakistan.

(e) Yes. The total number of persons evacuated through the Transit Camp in Karachi from August upto the end of November, 1949 is 10,008. It is possible that some evacuees did not pass through the Transit Camp and some others left by the land route.

**Shri R. K. Sidhva:** What was the response from the Pakistan Government to the representations of our High Commissioner?

**The Honourable Shri N. Gopaldaswami Ayyangar:** Two of the Pakistan Ministers visited the scene of occurrence, expressed their regret for what had happened and assured the Hindus there that they would take all steps to prevent a recurrence of such things in the future.

**Sardar Bhopinder Singh Man:** May I know whether the exodus of Hindus from Sind still continues, and whether conditions in Sind are returning to normal or not?

**The Honourable Shri N. Gopaldaswami Ayyangar:** There is some exodus still going on.

**Shri S. Nagappa:** What is the total loss of life and how many of the dead were Hindus?

**The Honourable Shri N. Gopaldaswami Ayyangar:** The loss of life, according to the official version, is 11 dead.

**Shri S. Nagappa:** How many of them were Hindus?

**The Honourable Shri N. Gopaldaswami Ayyangar:** All, I think.

**Shri Mahavir Tyagi:** Has the news appearing in the *Hindustan Times* lately come to the notice of the Government in which it was mentioned that Hindus in Hyderabad (Sind) were being awakened at midnight and thrown out of their houses, and that their Gurdwaras and temples were being given to Muslims to be used as cattle sheds, etc.?

**Mr. Speaker:** Order, order. I am afraid it is beyond the scope of the question.

**Shri Mahavir Tyagi:** Sir, but it is mentioned there that the Government have protested.

**Mr. Speaker:** That might have been the news report.

**Shri Mahavir Tyagi:** I wanted to know whether Government has made any protest against the eviction of Hindus there.

**Sardar Bhopinder Singh Man:** In view of the fact that the exodus of Hindus still continues, may I know what exactly are the reasons for that?

**The Honourable Shri N. Gopaldaswami Ayyangar:** There is a certain amount of panic among certain Hindus and they are attempting to get out from Sind to India. It is only a sort of a mental feeling on their part.

**Sardar Bhopinder Singh Man:** May I draw the conclusion that the conditions there are other than satisfactory for Hindus, and say that it is not a case of fear complex?

**Mr. Speaker:** I think it is all a matter of inference.

**The Honourable Shri Mohan Lal Saksena:** No.

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**Mr. Speaker:** I think it is all a matter of inference.

**Shri Mahavir Tyagi:** May I know whether the Government of India made a protest to the Pakistan Government against the treatment which is being meted out to Hindus there?

**The Honourable Shri N. Gopalaswami Ayyangar:** Government are repeatedly making representations about cases that come to their notice.

**Shri Arun Chandra Guha:** What is the policy of Government regarding the remaining Hindus in Sind? Is it aimed at evacuating them or at making conditions there favourable for their stay?

**The Honourable Shri N. Gopalaswami Ayyangar:** Government would prefer that the Hindus who are there will stay there, but to such of them as are insistent on coming over, every facility would be given.

#### MARSHALL PLAN FOR THE FAR EAST

\*831. **Shri R. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that the Government of the United States of America are considering a proposal to introduce Marshall Plan for the Far East?

(b) If so, have the Government of India made any suggestion in this connection?

(c) Has any discussion taken place in the House of Representatives of the United States of America in this respect?

(d) If the reply to part (b) above is in the affirmative, what is the nature of the suggestion made?

**The Honourable Shri Jawaharlal Nehru:** (a) Government of India are not aware of any such proposal.

(b) No.

(c) We have no information on this subject.

(d) No representation has been made.

**Shri H. V. Kamath:** Is it not a fact that some spokesmen of our country, including our Ambassador to the U.S.A., have asked off and on for American aid to the under-developed areas of the Far East, in the course of their speeches?

**Mr. Speaker:** The question is very vague.

**Shri H. V. Kamath:** The first part of the Question is about American aid to the Far East. Is it a fact that our Ambassador to the U.S.A. has now and then, in the course of her speeches, asked for American aid for the development of under-developed areas of the Far East?

**The Honourable Shri Jawaharlal Nehru:** Yes, Sir.

**Shri H. V. Kamath:** Put the answer to (b) was in the negative.

**Mr. Speaker:** Order, order. He must take the information for granted.

**Shri H. V. Kamath:** But what nature of aid has been asked for for these under-developed areas in the Far East?

**The Honourable Shri Jawaharlal Nehru:** For a long time past it has been urged before the various organisations of the United Nations as well as elsewhere that the under-developed areas should be encouraged, should be helped, with technical and other assistance. That has been a common policy urged by the United Nations repeatedly.

If the Honourable Member is thinking of Marshall Aid, that is something entirely different. In the context of help to under-developed countries I also mentioned, when I was in the United States of America, that we welcomed such aid—technical or other—as could be given for the development of these under-developed areas. I do not understand what the Honourable Member is trying to enquire.

**Shri H. V. Kamath:** Will such aid be free from all political, military or economic strings?

**The Honourable Shri Jawaharlal Nehru:** Obviously.

**Mr. Speaker:** Order, order. One need not go into that.

#### MANDAPAM QUARANTINE CAMP

**\*832. Shri B. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state whether the attention of Government has been drawn to the letter which appeared in the *Hindustan Times*, dated the 3rd August 1949 regarding the treatment meted out to Indians at the Mandapam Quarantine Camp?

(b) If so, what steps do Government intend to take in the matter?

(c) Have Government had any correspondence after the 15th August, 1947 in this matter with the Ceylon Government?

**Dr. B. V. Keskar** (Deputy Minister of External Affairs): (a) The Government have seen a letter entitled "Ceylon Quarantine Camp" from a Ceylon Indian in Jaffna, which was published in the *Hindustan Times*, dated the 3rd August, 1949.

(b) and (c). In February, 1947, the Deputy Public Health Commissioner of the Government of India, accompanied by a senior officer of the External Affairs Ministry, visited the Quarantine Camp and submitted a report to the Government. The report was carefully considered and, after taking into consideration all the circumstances of the case, the Government of India came to the conclusion that the Quarantine Camp should be taken over and administered under their own control and with their own personnel, in a manner acceptable to the Government of Ceylon. There has been no official correspondence with the Government of Ceylon after the 15th August, 1947, on this subject; but a reference was made to them through our High Commissioner, to ascertain the approximate cost of acquiring the land, buildings and other equipment at the camp and the recurring expenditure on the general administration of the camp. As the proposal of taking over the camp involves an initial capital expenditure of about Rs. 26 lakhs and a recurring annual expenditure of nearly 4½ lakhs, the proposal has had to be kept in abeyance, for the present, in view of the imperative need for economy.

**Shri B. K. Sidhva:** May I know whether this Camp is situated in the Indian soil and whether we receive any rent or whether the plot has been sold to the Ceylon Government?

**Dr. B. V. Keskar:** It is on Indian soil. I do not know whether the Ceylon Government pays any rent for it. But the land was taken by the Ceylon Government under a certain agreement with the Government of India.

**Shri B. K. Sidhva:** Apart from the question of economy standing in the way of taking over this camp, am I right in understanding that the Government feel that this Quarantine Camp should be removed from our soil?

**The Honourable Shri Jawaharlal Nehru:** Apart from the reasons of economy, the question is: if this Camp is not in Indian soil, it would presumably be on Ceylon soil. Then our Government will have even less to do with it. We felt that by the Camp being here we could be more closely associated with it and see what is happening and if it were taken away to Ceylon soil, we would be completely out of touch.

**Shri B. K. Sidhva:** My question is: In view of the fact that this camp is situated on Indian soil, whether Government feel it justifiable that we should allow the kind of treatment that is meted out in this Quarantine Camp?

**The Honourable Shri Jawaharlal Nehru:** Obviously, not only Government feel but Government have always taken action and I think there have been some cases occasionally which we immediately followed up.

\*833. [WITHDRAWN.]

### SOAP INDUSTRY

\*834. **Shri B. K. Sidhva:** (a) Will the Honourable Minister of **Industry and Supply** be pleased to state whether the All India Soap Manufacturers' Association has sent any representation to Government not to allow any foreign concerns to start soap manufacturing in South India?

(b) Has any application for such purpose been received from a foreign firm?

(c) If so, what is the name of the firm and what is the amount of capital to be invested?

(d) What is the consumption of soap in India and what is the indigenous production?

(e) What was the quantity of soap imported from foreign countries in 1947 and 1948 and in 1949 up to date?

(f) Is soda ash for soap manufacture available in sufficient quantities in India?

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

(b) No, Sir.

(c) Does not arise.

(d) The present estimated consumption is 1,30,000 tons per annum. Indigenous production was as shown below:

1947 80,000 tons ;

1948 1,90,000 tons including 474 tons of medicated soap ;

1949 (first nine months) 90,236 tons.

(e) 1947-48—517.25 tons; 1948-49—183.05 tons; 1949 (April to October)—105.7 tons.

(f) Yes, Sir. For the production of soap, the chemical generally used is not soda ash, but caustic soda. Soda ash is mixed by some manufacturers for making cheap quality soaps.

**Shri B. K. Sidhva:** Is caustic soda still being imported for this purpose.

**The Honourable Dr. Syama Prasad Mookerjee:** Yes.

**Shri Deshbandhu Gupta:** Is it a fact that one of the biggest soda ash

producing factories of India situated in Bombay province has had to close down on account of large imports of soda ash under O.G.L.?

**The Honourable Dr. Syama Prasad Mookerjee:** That does not arise out of this question.

**Shri Deshbandhu Gupta:** Yes, under (f).

**Mr. Speaker:** It is an old story now.

**Shri V. G. Kesava Rao:** May I know whether there is any proposal to stop imports of foreign soap?

**The Honourable Dr. Syama Prasad Mookerjee:** I have said that we have imported 105.7 tons of foreign soap during April-October, 1949. This half year we have not made any provision for imported soap at all.

**Shri Satis Chandra Samanta:** Is caustic soda a controlled commodity?

**The Honourable Dr. Syama Prasad Mookerjee:** No, Sir.

#### WHITE AUSTRALIA POLICY

†\*835. **Shri R. K. Sidhva:** Will the Honourable the Prime Minister be pleased to state whether it is a fact that Australia has passed an Act for the purpose of deporting every Asian including Indians from Australia?

(b) How many Indians are there in Australia?

(c) To what extent do the provisions of this Act apply to them?

• **Dr. B. V. Keskar** (Deputy Minister of External Affairs): (a) The Honourable Member probably has in mind the war-time Refugees Removal Act, 1949, which came into force in Australia on 12th July, 1949. This Act provides for the removal from Australia of certain persons who entered that country as refugees during the period of hostilities in the last war. The Act does not apply exclusively to Asiatics.

(b) According to the 1947 Census, there are 2,480 Indians in Australia and most of them have been naturalized as Australian citizens.

(c) No Indian in Australia is affected by the provision of this Act.

#### STONES AND JEWELS

\*836. **Dr. Mono Mohon Das:** Will the Honourable Minister of Commerce be pleased to state:

(a) the total value of precious stones and jewels imported into India during the year 1948-49;

(b) the amount of import duty collected from these imports;

(c) the total amount of precious stones and jewels exported from India; and

(d) the export duty realised, if any, during the year 1948-49?

**The Honourable Shri K. C. Neogy:** (a) The total value of precious stones and pearls, unset, imported into India during the year 1948-49 was Rs. 78 lakhs, while the total value of jewellery imported during the same year was Rs. 1.64 lakhs.

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

(b) The import duty collected on these imports during the year 1948-49 amounted to Rs. 90,741.

(c) The total value of precious stones and pearls, unset, exported from India during the year 1948-49 was Rs. 4.64 lakhs, while the total value of jewellery exported during the same year was Rs. 1.28 lakhs.

(d) These articles are not liable to export duty.

**Dr. Mono Mohon Das:** May I know how many of these precious stones come from Indian mines?

**The Honourable Shri K. C. Neogy:** I have given figures of imports of these stones. I have nothing to do with the Indian mining of stones.

**Dr. Mono Mohon Das:** May I know whether Government derive any royalty from the value of the stones that come from Indian mines?

**The Honourable Shri K. C. Neogy:** That question should be put to my Honourable Friend the Minister for Works, Mines and Power.

**Shri H. V. Kamath:** In view of the fact that these precious stones and jewels are luxury goods, do Government propose to increase the import duty on them?

**The Honourable Shri K. C. Neogy:** As a matter of fact, the articles that I have mentioned are no longer permissible for import, but I should like to add that the figures I have given of imports of these articles are considerably less than the value represented by the imports of these articles in previous years. I should also like to remind the House that there is a fairly important cottage industry, namely, the lapidary industry as it is called, which is dependant upon the importation of rough and uncut stones, pearls and others, and there is a considerable complaint among them that they are unemployed by reason of the restricted import policy in this matter.

**Shri H. V. Kamath:** What is the import duty on these goods *ad valorem*?

**The Honourable Shri K. C. Neogy:** Precious stones unset and imported uncut and pearls unset—free because they are raw materials of this cottage industry. Precious stones unset and imported cut—that is not raw material—30 per cent. *ad valorem*. Jewellery and jewels—60 per cent. *ad valorem*.

**Sardar Hukam Singh:** Is it a fact that import of these diamonds for finishing purposes was fairly large from France before these restrictions were imposed?

**The Honourable Shri K. C. Neogy:** Yes; that is so. Apart from other countries, I think, Amsterdam was also a very important centre.

**Sardar Hukam Singh:** Will Government consider the feasibility of encouraging this import, because that would bring revenue to the country and employment to some of our countrymen?

**Mr. Speaker:** Order, order. It is a suggestion for action.

**Shri L. Krishnaswami Bharathi:** May I know whether Government is aware that large quantities of diamonds are imported by the French Settlement of Pondicherry and from there smuggled to India? Were any representations made to the French Government in this connection?

**The Honourable Shri K. C. Neogy:** I think this is nothing very new. This art of smuggling is a very old one, my Honourable Friend I think lives very near that area. I am prepared to accept his statement as regards the facts that he has mentioned. I am sure the question of making representations to the French Government is always kept in view.

## TRADE WITH RUSSIA

\*837. **Dr. Mono Mohon Das:** Will the Honourable Minister of Commerce be pleased to state:

(a) the total value of trade between Russia and India during the year 1948-49;

(b) the basis of trade between these two countries; and

(c) whether the value of this trade will increase or decrease during the current year?

**The Honourable Shri K. C. Neogy:** (a) The total value of trade between Soviet Russia and India during the year 1948-49 amounted to Rs. 798 lakhs imports worth Rs. 262 lakhs, and exports worth Rs. 536 lakhs.

(b) This trade was partly on the basis of barter and partly on the basis of payment.

(c) The total value of Indo-Russian trade during the four months ending the 31st July, 1949 rose by 15 per cent. as compared with the corresponding period of 1948. In the present circumstances, however, it is not possible to forecast what the future trend of trade may really be. So far as food-grains—an important item in our imports from Soviet Russia—are concerned prospects are not encouraging because that country has increased the prices by 44 per cent. since devaluation.

**Dr. Mono Mohon Das:** May I know, Sir, in which area Russia falls—soft currency area or hard currency area?

**The Honourable Shri K. C. Neogy:** As I have already indicated, there have been several agreements most of which were on the basis of barter. No question of payment is, therefore, involved. But for purposes of foreign trade calculations Russia is a soft currency country.

**Dr. Mono Mohon Das:** May I know, Sir, whether books published in Russia forms an item of import?

**The Honourable Shri K. C. Neogy:** I do not find any mention of books in the papers that I have got before me.

**Dr. Mono Mohon Das:** Is any petrol or kerosene imported from Russia?

**The Honourable Shri K. C. Neogy:** Yes.

**Dr. Mono Mohon Das:** What quantities of these products are being imported?

**The Honourable Shri K. C. Neogy:** Well, they used to form the largest single item in the past, but of late foodgrains have, I think, superseded them and now mineral oils do not form any significant portion of our import trade from that country, as far as I have been able to find out.

**Shri B. K. Sidhva:** What are the principal articles exported from India to Russia?

**The Honourable Shri K. C. Neogy:** The principal articles exported are jute, tea, shellac and a few other commodities.

**Shri S. Nagappa:** May I know, Sir, what is the balance of trade with Russia?

**The Honourable Shri K. C. Neogy:** I have already given the figures.

**Shri H. V. Kamath:** Which are the commodities obtained from Russia on a barter basis?

**The Honourable Shri K. C. Neogy:** Wheat, mostly. There were three agreements, actually. Under one it was wheat as against tea and under the others wheat as against raw jute and castor oil.

#### NON-MUSLIM PRISONERS IN PAKISTAN

**\*838. Sardar Hukam Singh:** Will the Honourable Minister of Rehabilitation be pleased to state:

- (a) whether all non-Muslims confined in West Pakistan Jails have been brought to India;
- (b) if not, what is the number still left behind; and
- (c) whether any negotiations are still going on to bring them to India?

**The Honourable Shri Mohan Lal Saksena:** (a) 4,080 Hindu and Sikh prisoners exchangeable under the Inter-Dominion Agreement have already been transferred to India. A few cases of exchangeable prisoners not having been exchanged have however been reported.

(b) The exact number of Hindu and Sikh prisoners transferable under the Inter-Dominion Agreement and still in West Pakistan Jails, is being ascertained from the Government of Pakistan.

(c) Correspondence is in progress with the Government of Pakistan for arranging a supplementary exchange for such prisoners.

**Sardar Hukam Singh:** Have we got any of these prisoners in our jails whom we contracted to transfer to Pakistan?

**The Honourable Shri Mohan Lal Saksena:** There may be some.

**Sardar Hukam Singh:** Is our Government pursuing the matter of further exchange of prisoners in some conference to be held some time in the near future?

**The Honourable Shri Mohan Lal Saksena:** There is no necessity of convening a Conference. The principles have already been agreed upon and we are pursuing the matter by correspondence.

**Shri Ajit Prasad Jain:** May I know from the Honourable Minister whether the work of ascertaining particulars about the Indian prisoners in Pakistan is left to the Pakistan Government, or is there any method of checking it up through our own agency?

**The Honourable Shri Mohan Lal Saksena:** It is not possible to get the information except through the help of the Pakistan Government. Of course, when any information is received we pass it on to our High Commissioner or Deputy High Commissioner for verification.

**Shri S. Nagappa:** Out of the prisoners that are left behind, how many are long term prisoners and how many are short term prisoners?

**The Honourable Shri Mohan Lal Saksena:** As I have already stated, I have not got the exact information. If any particular cases are brought to our notice, we can pursue them.

#### DISPLACED MUSLIMS

**\*839. Sardar Hukam Singh:** (a) Will the Honourable Minister of Rehabilitation be pleased to state the number of Muslims who were displaced during the disturbances of 1947, but who did not move out of India, and have since come back to their residences?

- (b) How many of these have got back their properties?  
 (c) Of what value are these properties?  
 (d) Have any loans and grants also been given to these people? If so, what is the amount?  
 (e) Were these amounts spent out of the money earmarked for rehabilitation of refugees or has this amount been charged to any other fund?

**The Honourable Shri Mohan Lal Saksena:** (a) to (c). Complete information is not available.

(d) About Rs. 12 lakhs have been advanced as loans to displaced Muslims who did not move out of India.

(e) The amount has been spent out of the money earmarked for rehabilitation of displaced persons.

**Shri H. V. Kamath:** What is the total approximate value of the properties left behind by Hindus and Sikhs in Pakistan?

**The Honourable Shri Mohan Lal Saksena:** May I know, Sir, whether it arises out of this question? This question only relates to Muslims who were displaced because of the disturbances and did not leave India.

**Shri H. V. Kamath:** Part (c) refers to property.

**Mr. Speaker:** Let us proceed to the next question.

#### RESTORED MUSLIM PROPERTY

\*840. **Sardar Hukam Singh:** (a) Will the Honourable Minister of Rehabilitation be pleased to state the number of displaced Muslims who went over to Pakistan on account of disturbances and who have subsequently returned to India to settle down permanently?

(b) Have any such persons been rehabilitated and have their lands been restored to them? If so, what is the total area so restored?

(c) Was any land restored to Muslims which was allotted to non-Muslim refugees and have any refugees been evicted from such lands?

(d) If so, what is the number of refugees so evicted and what is the area of land from which they were evicted?

**The Honourable Shri Mohan Lal Saksena:** (a) The number of evacuee Muslims is estimated at 58 lacs. Information is not available as to the number of Muslims who returned subsequently to settle down in India permanently. It is, however, estimated that about 2½ lacs of Muslims returned to India before the introduction of Permit System. Between the 19th July, 1948, i.e., the date on which the Permit System was introduced and the 31st October, 1949 nearly 3,000 permits for permanent resettlement in India were issued to Muslims. The number of persons actually entering India will be much larger as often a whole family is covered by a permit.

(b) Information is being collected and will be laid on the Table of the House.

(c) and (d). As a rule no land has been restored to returning Muslims if it had been allotted to and occupied by displaced persons. As such no question of eviction of displaced persons arises.

**Sardar Hukam Singh:** Has this policy not prejudiced the interests of the refugees who have got allotments here?

**The Honourable Shri Mohan Lal Saksena:** No, Sir.

**Shri H. V. Kamath:** Do the figures given by the Honourable Minister of State refer to Muslims who have returned to India from Western Pakistan only, or they also include Eastern Pakistan?

**The Honourable Shri Mohan Lal Saksena:** This relates only to Western Pakistan. No figures for Eastern Pakistan are available. There was only exchange of population between West Pakistan and East Punjab.

**Shri H. V. Kamath:** Are they still returning for settlement?

**The Honourable Shri Mohan Lal Saksena:** Some Muslims apply for permits for returning to India and their cases are scrutinised and permits issued, in cases considered suitable.

**Shri Mahavir Tyagi:** Is it a fact that a number of these displaced Muslims are waiting on the border of Pakistan and they are not being allowed to enter Pakistan?

**The Honourable Shri Mohan Lal Saksena:** Some of them who wanted to go to Pakistan have not been allowed to go and they are in Jullundur Camp, maintained by the Deputy High Commissioner for Pakistan.

**Shri Mahavir Tyagi:** How many are they?

**The Honourable Shri Mohan Lal Saksena:** I have not got the information; but if the Honourable Member requires the same, I will supply it to him.

#### LAHORE REFUGEE CAMP

\*841. **Sardar Hukam Singh** (a) Will the Honourable Minister of Rehabilitation be pleased to state whether the Refugee Camp in D.A.V. College, Lahore is still being maintained by the Government of India?

(b) How many inmates are there just at present?

(c) What facilities are provided there for their safety and maintenance?

(d) How many refugees have been brought to India from this camp during the months of August, September and October, 1949?

**The Honourable Shri Mohan Lal Saksena:** (a) Yes.

(b) The average daily number of inmates is 55 including temporary visitors from India.

(c) For the safety of inmates eight West Punjab Police Constables with one Assistant Sub-Inspector have been provided by the West Punjab Government. In addition there is one Sub-Inspector and three Police Constables of the East Punjab Police. For their maintenance, free supply of basic rations and spices according to fixed scale, and other genuine needs such as blankets for use during stay at the Camp, medical attendance and cooking facilities, etc., are provided.

(d) 1,292 displaced persons have been brought to India during August, September and October, 1949.

#### KASHMIR REFUGEES IN LAHORE

\*842. **Sardar Hukam Singh:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that a large number of refugees from Kashmir were brought to the D.A.V. College Camp in Lahore and have been staying there for more than a year?

(b) Do they desire to come over to India?

(c) If so, why have no arrangements been made for their evacuation to this country?

(d) Is it a fact that they have no equipment of clothes or beddings for the winter season?

**The Honourable Shri N. Gopalaswami Ayyangar** (Minister of Transport and Railways): (a) 208 Kashmiri refugees (including recovered abducted women and children) were brought by Pakistan authorities, from the area under the operational control of their forces in Kashmir, to Lahore, in March, 1949. All of them except five were released and evacuated to India in the last week of October, 1949. These five were three adults and two children who died in transit camps in Lahore.

(b) to (d). Do not arise.

#### COMMODITY COMMITTEE

\*843. **Shri Satis Chandra Samanta**: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the names of commodity committees under the Ministry of Industry and Supply; and

(b) whether any commodity committees have received subsidies from the Government of India in the years 1948-49 and 1949-50 and if so, how much?

**The Honourable Dr. Syama Prasad Mookerjee**: (a) The Indian Coffee Board, The Indian Rubber Board, and The Central Silk Board.

I presume the Honourable Member means statutory bodies and not Advisory Committees.

(b) The Central Silk Board received a grant of Rupees Five lakhs in 1949-50.

#### HAND-LOOM INDUSTRY

\*844. **Shri V. C. Kesava Rao**: (a) Will the Honourable Minister of Industry and Supply be pleased to state what steps are being taken to promote hand-loom industry?

(b) Is free inter-provincial movement of hand-loom cloth allowed at present?

(c) Is unlicensed export of that commodity permitted to dollar and sterling areas?

**The Honourable Dr. Syama Prasad Mookerjee**: (a) Honourable Member's attention is invited to my reply to part (c) of the Starred Question No. 338 by Shri C. Subramaniam.

(b) Yes.

(c) Export of handloom cloth is allowed under licence. But licences are issued freely without any restrictions.

**Shri V. C. Kesava Rao**: May I know whether it is a fact that handloom weavers, in most cases are not getting yarn properly?

**The Honourable Dr. Syama Prasad Mookerjee**: That is not so; they cannot purchase yarn because of large stocks already in their hands.

**Shri S. Nagappa**: Are Government aware that large stocks of handloom cloth are not finding a good market in India, and may I know what steps Government have taken to see that these stocks of handloom cloth get a proper market?

**The Honourable Dr. Syama Prasad Mookerjee:** I dealt with this question in the statement which I have already placed before the House, and also the steps which Government have taken in the matter.

#### INDUSTRIAL HOUSING

\*845. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Labour be pleased to state what progress has been made in regard to the provision of housing facilities for workers in the Textile, Coal, and Steel industries?

(b) Is priority for housing materials given for this class of construction?

**The Honourable Shri Jagjivan Ram:** (a) Some progress is being made towards providing housing facilities for coalminers, but by no means adequate progress. Due to financial stringency housing schemes have been held up seriously.

(b) Priority for housing materials is accorded to the textile and steel industries. In the collieries, the demands for maintenance and development get the first priority and housing materials next.

**Shri V. C. Kesava Rao:** May I know whether it is a fact that some houses constructed for the workers were allotted to the refugees in East Punjab?

**The Honourable Shri Jagjivan Ram:** I have no information, but as far as I can say, I think that might not be the case.

**Babu Ramnarayan Singh:** May I know what the Honourable Minister means by financial stringency? Is the money for housing to be raised from the mines areas, as a welfare fund, or is it to be contributed by the Government of India?

**The Honourable Shri Jagjivan Ram:** As the Honourable Member knows, the question relates to three industries and not only to the coal industry. So far as the coal industry is concerned, I have already stated that some progress has been made, though it is not adequate.

**Shri Mohan Lal Gautam:** May I know how many houses were promised by the Government for industrial labour and what percentage of that number has Government built?

**The Honourable Shri Jagjivan Ram:** Sir, we announced a scheme for a million houses during the next ten years; but due to financial stringency, the whole scheme has practically been held up. Some progress has been made only in the case of coal miners, and 1,300 houses have already been built, and 300 quarters are under construction. As regards other industries, practically no progress has been made.

**Shri Arun Chandra Guha:** Have the Government any plan for housing the tea garden workers?

**The Honourable Shri Jagjivan Ram:** We have got all the schemes, but they have been held up for want of finance.

#### WOOL (IMPORT)

\*846. **Shri Mahavir Tyagi:** Will the Honourable Minister of Commerce be pleased to state the total price of raw-wool and woollen cloth imported during the current year up to date?

**The Honourable Shri K. C. Neogy:** The total value of raw wool and woollen cloth imported during the seven months ending with 31st October, 1949 was Rs. 2.55 lakhs and Rs. 1.54 lakhs respectively.

**Sardar Bhopinder Singh Man:** What are the principal countries from which this wool and woollen cloth are imported?

**Shri Mahavir Tyagi:** Sir, I have the prior right.

**Mr. Speaker:** Perfectly right.

**Shri Mahavir Tyagi:** May I know from which countries this wool and the woollen cloth were imported, and may I know whether this has had an adverse effect on the indigenous industry?

**The Honourable Shri K. C. Neogy:** One question at a time, please.

**Mr. Speaker:** The Honourable Member may put one question at a time.

**Shri Mahavir Tyagi:** Yes, Sir, but I thought I might not get a chance later. My first question is about the countries from which this wool and woollen cloth were imported.

**The Honourable Shri K. C. Neogy:** Yes, so far as wool is concerned, our principal suppliers are the United Kingdom, Australia and for a comparatively small quantity, New Zealand. Pakistan comes after these.

**Shri Mahavir Tyagi:** How much money was received as duty on these imports?

**The Honourable Shri K. C. Neogy:** I am afraid I do not have the figures here; but if the Honourable Member is particular, I can supply him the information.

**Shri Mahavir Tyagi:** What is the rate of that duty?

**The Honourable Shri K. C. Neogy:** I do not know.

**Shri Mahavir Tyagi:** Did this importation have any adverse effect on the indigenous wool and the woollen textile industry?

**The Honourable Shri K. C. Neogy:** So far as raw wool is concerned the Honourable Member realises that that is the raw material and so there can be no question of local industry being prejudiced. I think the Honourable Member refers to the woollen textiles, and so far as the policy of importation is concerned that was decided in consideration of the requirements in the country; I have not got the figures before me, but the indications are that for some time production of woollen textiles in the country has not been altogether highly satisfactory.

**Shri Mahavir Tyagi:** Are there any restrictions placed now, on the import of woollen textiles?

**The Honourable Shri K. C. Neogy:** So far as importation goes, there has been no importation from hard currency areas for more than a year now, and so far as soft currency countries are concerned, imports have been virtually closed down, but for licenses granted under the O.G.L. concessions.

**Shri Ajit Prasad Jain:** May I know what has been the home production of woollen cloth during the corresponding period?

**The Honourable Shri K. C. Neogy:** That is a question which had better be put to my Honourable Colleague, the Minister for Industry and Supply.

**Shri Raj Bahadur:** Do we export any woollen textiles?

**The Honourable Shri K. C. Neogy:** Yes to a small extent.

**Shri Raj Bahadur:** To what extent?

**The Honourable Shri K. C. Neogy:** I do not have the figure.

## SUBSTITUTE FOR FOOD GRAINS

†\*847. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable the **Prime Minister** be pleased to state whether the Central Food Technological Institute is carrying on any research work for discovery of good and nutritious substitutes for different varieties of food grains grown in India and if so, what results have so far been achieved thereby?

(b) Is it a fact that as a result of the said research, some substitute has been found for rice, and if so, what is this substitute and what will be the comparative merit of this substitute from the points of view of nutrition, taste, and cost of production?

(c) What steps, if any, have the Government of India so far taken or intend to take to popularise the use of the substitute or substitutes so discovered?

(d) What research if any, has been carried on for discovering a substitute for soya beans as a raw material for manufacture of vegetable oil and with what results?

**The Honourable Shri Jawaharlal Nehru:** (a) Yes. The results have been encouraging.

(b) Synthetic rice has been produced on a laboratory scale from maize. Research with tapioca combined with other grains is being conducted. The substitutes produced will have the same or better nutritional value than rice. Arrangements are being made to set up a pilot plant for large-scale production. The cost has not yet been worked out, but as the materials used are cheap and processing simple, it is anticipated that the finished product will be cheaper than rice.

(c) Government will take appropriate steps to popularise the use of these substitutes after successful results have been obtained.

(d) Vegetable milk and not oil is produced from soya beans. Research to produce vegetable milk from ground nuts is being conducted. The product is somewhat less nutritious than soya bean milk, but is cheaper to manufacture.

## JUTE

\*848. **Dr. Mono Mohon Das:** (a) Will the Honourable Minister of **Commerce** be pleased to state whether it is a fact that the Indian Jute Mills Association has informed the Bengal Jute Balers Association that the Mills under no circumstance would accept Indian jute against outstanding Pakistan jute contracts?

(b) If the answer to part (a) above be in the affirmative, what repercussion will it have upon the price of Indian jute?

**The Honourable Shri K. C. Neogy:** (a) Yes, Government have seen some correspondence on the subject between the Indian Jute Mills Association and the Bengal Jute Dealers' Association, not the Bengal Jute Balers' Association.

(b) So far as Government can see, this matter can have no adverse effect on the price of Indian jute.

**Dr. Mono Mohon Das:** May I know the reason why the Indian Jute Mills Association is not prepared to take Indian jute in place of Pakistan jute?

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

**The Honourable Shri K. C. Neogy:** Well, these agreements are based upon very solemn formal contracts and I might tell my honourable friend that this is not a matter in which Government can interfere except by undertaking special legislation even if there be any justification for such interference.

**Dr. Mono Mohon Das:** May I know, Sir, whether there is any difference in prices between Indian jute and Pakistan jute, that are paid by the Indian Jute Mills Association?

**The Honourable Shri K. C. Neogy:** There has hardly been any transaction with Pakistan of late and there is no use of making any comparison, and so far as Indian jute prices are concerned, they have been satisfactorily fixed.

**Dr. Mono Mohon Das:** May I know whether it is a fact that the wholesale export trade has been monopolized by the Indian Jute Mills Association?

**The Honourable Shri K. C. Neogy:** I do not think that quite arises out of this question.

#### LOW GRADE COAL

\*849. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what is the present policy of Government regarding the encouragement of the production of lower grade coal?

(b) Do Government propose to give an incentive to such production by re-examining the prices of Grade III coal and restoring them to their original level, in view of the complaints by the producers thereof that the cuts as imposed have reduced their prices to an uneconomic level?

(c) Have Government any plans for stimulating the use and facilitating the transport of lower grade coal and soft coke as suggested by the Rationalisation Sub-Committee of 1948?

(d) What steps have Government taken to induce the industries and the Railways to use more of low grade coal and with what success?

**The Honourable Dr. Syama Prasad Mookerjee:** (a), (b) and (d). The present policy of Government is to encourage the production of Grade III coal by encouraging its consumption for brick-burning purposes and for manufacturing soft coke. To this end, the Provincial allocation for BRK and soft coke has recently been increased very considerably. It was with the same object that the prices were reduced in April, 1949 to a level which Government do not consider uneconomic.

(c) The report of the Rationalization Sub-Committee is under examination.

**Shri R. L. Malviya:** May I know what the recommendations of the Rationalisation Sub-Committee are?

**The Honourable Dr. Syama Prasad Mookerjee:** The report is under examination now. It deals with the question of conservation of metallurgical coal.

**Shri R. L. Malviya:** May I know, Sir, what steps are being taken to discourage the consumption of metallurgical coal by the Railways and encourage the consumption of coal?

**The Honourable Dr. Syama Prasad Mookerjee:** The new locomotives, I believe, will solve the question to some extent. The matter is now being discussed with the Railway Ministry.

**Shri R. L. Malviya:** Are they consuming any third-class coal?

**The Honourable Dr. Syama Prasad Mookerjee:** I think such coal used is small but they are mainly concerned with higher grade coal.

#### WAGON ALLOCATION FOR 'B.R.K.' COAL

\*850. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that the Coal Commissioner has introduced a new wagon allocation programme from September, 1949 for 'BRK' coal at five times the basis prevailing in November, 1948?

(b) Are Government aware that while the revised programme has been implemented in the case of about 133 collieries, some 148 collieries have received supplies at considerably less than the revised programme, about 15 collieries have received at much more than what they are entitled to under this programme and some 96 collieries have been altogether excluded from the benefit of this revised programme for 'BRK' coal?

(c) If so what is the cause of this discrepancy in distribution of wagons for 'BRK' coal?

(d) Are Government aware that there is great resentment among the producers of 'BRK' coal on account of this discrepancy?

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

(b) and (c). As soon as it became clear that the Railways were in a position to offer wagons in excess of indents from collieries, the Provinces were asked to submit their *ad hoc* demands on the basis of 5 times the BRK programme for November, 1948. Since the Provincial demands did not come in at the same time, some collieries were naturally left out at the beginning, but this has since been rectified and sanctions on all collieries have been issued except in the case of 52 collieries which will also receive their share as further Provincial demands come in. No excess sanction has been issued in favour of any colliery.

(d) The misapprehension, if any, was removed by a reply given by the Deputy Coal Commissioner (Distribution) which was published in *The New Sketch*, dated 28th November, 1949, which was considered by the Journal itself as satisfactory.

**Shri R. L. Malviya:** May I know, Sir, that this reply published in the journal *The New Sketch*, dated 28th November, 1949 has been repudiated by the journal itself in its issue, dated 5th December, and it is further repudiated by one of the Members of the Advisory Committee, Mr. Jivan Das Arya?

**The Honourable Dr. Syama Prasad Mookerjee:** Further reply may be given in due course, if necessary.

#### SPECIAL ALLOCATION OF WAGONS TO COLLIERIES

\*851. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the procedure followed by the Coal Commissioner since July, 1949 in the allocation of 'special' supplies of wagons?

(b) How many wagons have been allocated by the Coal Commissioner under 'special' from 27th July to the end of October, 1949?

(c) Is it a fact that during the said period, a colliery with seven wagon basis has received a supply of four wagons only as 'special' while another colliery under the same pilot with one wagon basis has received 58 wagons?

(d) Is it also a fact that the alleged discrimination has been practised on a wide scale?

(e) Has the attention of Government been drawn to the comments on this alleged discriminatory allotment published in the *New Sketch* the coal organ of Dhanbad, in its issue dated the 14th November, 1949?

(f) Do Government propose to ascertain the correctness or otherwise of the allegation?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Special allotments are made by a Committee of three officers of the Coal Commissioners' organisation. The procedure followed is given in a statement laid on the Table of the House.

(b) 25,143 wagons against the total allotment of 323,578 wagons for the same period, i.e., 7.7 per cent. of the total allotment.

(c) The matter may be looked into if the name of the colliery is given.

(d) No discrimination has been made.

(e) Yes.

(f) A reply given by the Coal Transport Officer was published in the *New Sketch* on 28th November.

#### STATEMENT

Special allotments are normally made to absorb the surplus wagon capacity offered by the Railways at short notice. The wagon supply position on the E.I.R. showed an improvement since July, 1949, and to ensure an equitable distribution of special allotments, the collieries were requested through their Associations to submit applications in the prescribed form stating whether they were prepared to load on Sundays and other days without notice. Applications so received are entered in a separate register and special allotments are made in the order in which the applications are entered in the register, after taking into consideration—

- (i) offers received from collieries to load wagons irrespective of indents, grade and class of coal offered and pithead stocks;
- (ii) siding accommodation of the colliery concerned and surplus pit capacity available;
- (iii) direction in which spare capacity exists; and
- (iv) demand of different grades and class of consumers.

**Shri R. L. Malviya:** May I know, Sir, that this statement has further been repudiated by the *New Sketch* on 5th December and will the Honourable Minister.....

**Mr. Speaker:** The Honourable Member is putting the same question that he put before.

**Shri R. L. Malviya:** Sir, it is a separate question.

**Mr. Speaker:** The subject-matter is different.

**Shri R. L. Malviya:** The question is also different.

**Mr. Speaker:** But the repudiation is in the same issue.

**Shri R. L. Malviya:** No, Sir, this is a second issue.

**Mr. Speaker:** He may proceed.

**Shri R. L. Malviya:** Will Government hold an enquiry into the matter?

**The Honourable Dr. Syama Prasad Mookerjee:** As I have said, if any particular colliery is mentioned, I am prepared to look into it and I have stated what the procedure followed now is.

**Shri R. L. Malviya:** There has been discrimination in 50 per cent. collieries.

**Mr. Speaker:** Order, order.

**Shri Mahavir Tyagi:** May I know if the Honourable Minister has received any complaint from any colliery about this discrimination?

**The Honourable Dr. Syama Prasad Mookerjee:** No; nothing has come to me except this question.

**Ch. Ranbir Singh:** Is it a fact that a huge amount of coal is lying at the collieries?

**The Honourable Dr. Syama Prasad Mookerjee:** No, Sir; not now.

#### COMMONWEALTH FOREIGN MINISTERS' CONFERENCE

\*852. **Shri H. V. Kamath:** Will the Honourable the Prime Minister be pleased to state:

(a) whether India will participate in the Commonwealth Foreign Ministers' Conference to be held in Colombo in January, 1950; and

(b) whether Government have any information as to the agenda for the Conference?

**The Honourable Shri Jawaharlal Nehru:** (a) Yes.

(b) No formal agenda has been sent to us so far; nor is it usual to have a formal agenda for such conferences. Certain points have, however, been suggested for discussion when economic matters are considered.

**Shri H. V. Kamath:** Sir, so far is there any indication to show whether this Conference will discuss only the foreign policy and cognate matters of the Commonwealth or whether it will also discuss the relations between the member States of the Commonwealth, on the one hand, and what still remains of the British Empire on the other. For instance, I am referring in particular to Malaya; it is not in the Commonwealth but it is in the Empire.

**The Honourable Shri Jawaharlal Nehru:** It will be difficult for me to deal with the Honourable Member's rather vague question about indications, etc. as I have said there is no formal agenda and no formal decisions have been arrived at at such Conferences. Each Member has a say on the situation in regard to any matters. I cannot say what a Member State may or may not say. When one discusses a large question, it may be looked at from any aspect, but, so far as I know, there is no particular subject of the kind mentioned by the Honourable Member to be discussed.

**Shri H. V. Kamath:** What, Sir, is the personnel of the Indian Delegation to this Conference?

**The Honourable Shri Jawaharlal Nehru:** It has appeared in the Press. I will state it. Apart from me, the others are certain officials, the Additional Secretary, Shri Dutt, two or three finance officers; I think they are Mr. Ambegaokar Mr. Keith Roy. I hardly remember any one else.

**Shri H. V. Kamath:** Is there any proposal to associate any Member of the Standing Committee for the Ministry of External Affairs with this delegation?

**The Honourable Shri Jawaharlal Nehru:** No, Sir.

**Shri H. V. Kamath:** Why not?

**Mr. Speaker:** Order, order.

## INDUSTRIES (DEVELOPMENT AND CONTROL) BILL, 1949

\*853. **Shri H. V. Kamath:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether it is a fact that the Director General of Industries and Supplies attended a luncheon meeting arranged for him by the National Association of Manufacturers, while he was in New York in connection with the Natural Resources Conference in August or September, 1949;

(b) whether it is a fact that on that occasion he made a statement on the Industries (Development and Control) Bill, 1949; and

(c) if so, what it was?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Yes Sir, sometime at the end of August, 1949.

(b) Yes Sir.

(c) It was an after luncheon talk and no prepared speech was made. But the Director General remembers having made a statement more or less on the following lines:

"Much concern has been expressed in business circles in the U.S.A. about the provisions of a Bill recently introduced in the Indian Parliament for the regulation of industries on a uniform basis. The primary object of the Bill is to achieve co-ordinated development and to bring within the sphere of Central Government legislation a group of large scale industries which are of all India importance. They will mostly otherwise operate under the control and legislative authority of each of the Provincial Governments. The views of the public, especially of all those who are interested in the industrial development of India, have been elicited on the Bill. I am sure that these views when received will be given due consideration by Government; specially by the Select Committee of Parliament."

**Shri H. V. Kamath:** Is it not a fact that the Director General of Industry and Supply stated after the luncheon that this particular Bill was a party measure and that it should not be taken for granted that the Bill would actually become law?

**The Honourable Dr. Syama Prasad Mookerjee:** I have said what he did say.

**Shri H. V. Kamath:** Is it not a fact that among the opinions.....

**The Honourable Dr. Syama Prasad Mookerjee:** May I point out, Sir, that the Honourable Member was supplied a document which was subsequently withdrawn and I do not think it is fair that he should read from that document.

**Shri H. V. Kamath:** It was once circulated; why was it withdrawn?

**Mr. Speaker:** Order, order.

**Shri M. Tirumala Rao:** Is it the policy of Government that departmental heads should go about explaining the policy laid down by Government?

**The Honourable Dr. Syama Prasad Mookerjee:** It is not a question of discussing policy. Some officers who visited America attended a conference which was attended by industrialists and they explained what the policy of the Government was. There was nothing wrong in it.

**Mr. Speaker:** The policy or the substance of the Bill?

**The Honourable Dr. Syama Prasad Mookerjee:** Policy.

**Shri M. Tirumala Rao:** Is it the policy of Government that their heads of departments shall enter into controversies about the policies of Government?

**Mr. Speaker:** Order, order. It does not arise from the answer given.

**Shri H. V. Kamath:** Is it open to a government servant however high placed he may be, in any way to publicly criticise a measure introduced by Government in this House?

**Mr. Speaker:** Order, order. He assumes there has been criticism; there has been no criticism.

**Shri Mahavir Tyagi:** How is it that the Director General of Industry and Supply happened to be in America?

**The Honourable Dr. Syama Prasad Mookerjee:** He went there as a representative of India to an International Conference.

#### COCONUT OIL STABILISATION FUND

**\*854. Shri Satis Chandra Samanta:** (a) Will the Honourable Minister of Industry and Supply be pleased to state when and for what purpose the Copra and the Coconut Oil Stabilisation Fund was created?

(b) How much money was collected for, and spent out of the Fund?

(c) What is the amount of surplus money?

(d) Are Government aware that the unspent money of the Sugar Excise Fund and of the fund for the relief of groundnut cultivators, was transferred to the Indian Sugarcane Committee and the Indian Oil Seeds Committee respectively?

(e) Is it a fact that the Indian Central Coconut Committee applied for the transfer of the unspent money of the Copra and Coconut Oil Stabilisation fund to meet their increased expenditure on various development schemes?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Copra Purchase Scheme Reserve Fund was created in 1946 with a view to supporting the floor prices fixed by Government of indigenous copra and coconut oil, in the event of a fall in their prices.

(b) and (c). A sum of Rs. 18,79,580-9-4 was collected out of which nothing has been spent. The whole amount is thus surplus.

(d) The unspent balance of the Sugar Excise Fund has been transferred to the Sugar Committee. Fund for the relief of Groundnut Cultivators is still administered by the Ministry of Agriculture.

(e) Yes; Sir. The request of the Committee was not, however, acceded to.

**Shri Satis Chandra Samanta:** Will Government reconsider an application of the Central Coconut Committee?

**Mr. Speaker:** That is a request for action.

**Shri A. Karunakara Menon:** Was not this fund due to the fact that India was not self-sufficient in coconuts, and as such, will Government revise its decision and give the fund to the Coconut Committee to improve the cultivation of coconuts?

**Mr. Speaker:** I am afraid it is not permissible.

**Shri A. Karunakara Menon:** I want to know, Sir, is not this fund due to the fact that India is not self-sufficient in the matter of coconuts, and as such, will Government consider.....

**Mr. Speaker:** It is a suggestion.

**Shri A. Karunakara Menon:** It is not a suggestion. Will Government reconsider that decision.....

**Mr. Speaker:** That is a suggestion.

**Shri Satis Chandra Samanta:** Under what consideration was the Indian Sugar-cane Committee granted the unspent money of the Sugar Excise fund?

**The Honourable Dr. Syama Prasad Mookerjee:** The condition on which that money was collected by Government was that it should be placed at the disposal of the Sugar-cane Committee for further development. That was not so in the case of coconut.

#### REQUISITIONING OF HINDU HOUSES BY EAST BENGAL GOVERNMENT

**\*855. Shri Santanu Kumar Das:** (a) Will the Honourable the **Prime Minister** be pleased to state if it is a fact that the Government of West Bengal have sent a note of protest to the Government of East Bengal regarding the requisitioning of a large number of Hindu houses specially the Harijan houses in East Bengal?

(b) Is it a fact that there is a large scale exodus of Hindus from East Bengal?

(c) If so, what steps have been taken in this regard?

**The Honourable Shri N. Gopaldaswami Ayyangar** (Minister of Transport and Railways): (a) The Government of West Bengal have not sent to the Government of East Bengal any special protest on the general question of requisitioning of Hindu houses in East Bengal. They have, however sent protests in individual cases pointing out that such requisitioning tends to cause further exodus of the minority community from East Bengal.

(b) There was substantial exodus of Hindus from East Bengal, in June to August, 1949 due to economic causes but since September, 1949 the exodus is on a small scale, about 8 to 10 persons arriving at West Bengal interception centres at intervals of 5 to 7 days.

(c) As decided at the Inter-Dominion Conference of December, 1948, the Government of West Bengal have been trying to impress on the Government of East Bengal both by correspondence and at the periodical meetings of the Chief Secretaries and Premiers of the two Provinces the desirability of avoiding the requisitioning of houses of the Hindus in order to prevent the exodus of Hindus from East Bengal.

**Shri Santanu Kumar Das:** What is the reply which the West Bengal Government received from East Pakistan?

**The Honourable Shri N. Gopaldaswami Ayyangar:** Communications sent on individual cases have not been replied to; but the West Bengal Government understand that the East Bengal Government have not yet completed assessing the compensation to be paid.

**Shri Santanu Kumar Das:** May I know whether Government had any arrangement for their registration?

**The Honourable Shri N. Gopaldaswami Ayyangar:** Registration of people coming out to West Bengal?

**Shri Santanu Kumar Das:** Yes.

**The Honourable Shri N. Gopaldaswami Ayyangar:** People coming out to West Bengal are checked at particular spots where the West Bengal Government have placed officers.

**Shri Santanu Kumar Das:** May I know whether Government had made any arrangement for giving them relief?

**The Honourable Shri N. Gopaldaswami Ayyangar:** As to those who come to West Bengal, some of them are given some relief. But, I cannot assure the Honourable Member that everybody who comes over gets relief.

**Shri Suresh Chandra Majumdar:** May I know if Government are aware that without applying the Evacuee Property Ordinance to East Bengal, the East Bengal Government, under the Rehabilitation Ordinances, are occupying very large numbers of Hindu houses? Not only Government, but the Pakistanis themselves are occupying forcibly many houses. If so, what is the Government of India going to do about them?

**The Honourable Shri N. Gopaldaswami Ayyangar:** The Evacuee Property Ordinance in Pakistan has not yet been applied to East Bengal. There may be individual cases of the description given by the Honourable Member. Wherever such cases have come to the notice of the West Bengal Government, representations have been made by them.

**Shri Arun Chandra Guha:** Have Government any idea of the number of houses requisitioned in East Bengal and in what towns?

**The Honourable Shri N. Gopaldaswami Ayyangar:** I cannot give the information about towns. But the East Bengal Ministry in answer to a question in their legislature, said that by the 30th June, 1949, altogether 5,024 in East Bengal had been requisitioned by the Government of East Bengal, of which 853 were owned by Muslims and the rest by Hindus. The estimate of our Deputy High Commissioner is that since June, they should have requisitioned about 1,000 more Hindu houses.

**Pandit Lakshmi Kanta Maitra:** May I enquire from the Honourable Minister if the Government of India has asked our Deputy High Commissioner in Eastern Pakistan to post them with the exact situation that is developing there, namely, that without enforcing the Evacuee Property Ordinance formally, they have been enforcing it in practice?

**The Honourable Shri N. Gopaldaswami Ayyangar:** We receive full information in the periodical reports we get from the Deputy High Commissioner.

**Mr. Speaker:** The question hour is over.

**Pandit Lakshmi Kanta Maitra:** One question, Sir.

**Mr. Speaker:** Order, order. The question hour is over.

### (b) WRITTEN ANSWERS

#### PERMITS FOR MIGRATION FROM PAKISTAN TO INDIA

\*856. **Dr. Bakhshi Tek Chand:** Will the Honourable Minister of Rehabilitation be pleased to state the number of persons who migrated to India from West Pakistan under permanent permits for re-settlement in Indian territory issued up to 31st October, 1949 but who later went back to Pakistan?

**The Honourable Shri Mohan Lal Saksena:** About 8,000. The number of persons actually entering India on these permits will be larger as often more than one person is covered by a permit.

So far as Government are aware no such person has gone back to Pakistan.

## RAIDS FROM PAKISTAN

**\*857. Shri Nandkishore Das:** Will the Honourable the Prime Minister be pleased to state:

(a) whether there was an infiltration by Pakistani raiders into the Indian Dominion territory near the village of Jalewal Kalan (Jammu) on 2nd December 1949;

(b) whether there was an engagement between Indian Union troops and these raiders;

(c) if the reply to parts (a) and (b) above be in the affirmative, the result of engagement; and

(d) whether the matter has been taken up with the Government of Pakistan and also with the U.N.C.I.P?

**The Honourable Shri Jawaharlal Nehru:** (a) Yes.

(b) Yes.

(c) After an exchange of fire which lasted for two hours and fifteen minutes, the Pakistan irregulars withdrew to their own territory. No casualties were suffered by our troops, but it is believed that approximately ten Pakistan irregulars were wounded or killed.

(d) No, but it was referred to the Pakistan Army authorities and the Chief of Staff to the Military Adviser to the U.N.C.I.P.

## CLAIMS FOR MANIPUR'S LOSSES IN LAST WAR

**\*858. Shri H. V. Kamath:** Will the Honourable Minister of Commerce be pleased to state:

(a) whether the attention of Government has been drawn to a report from Imphal appearing in the Calcutta edition of *The Statesman* dated the 25th November, 1949 to the effect that the claims for compensation for losses sustained by the people of Manipur in the last war on account of Japanese action have been included in India's reparation claims; and

(b) if so, whether the report is correct?

**The Honourable Shri K. C. Neogy:** (a) Yes.

(b) Yes. A sum of about Rs. 72 lakhs representing claims of the Manipur State, was included in India's reparation claims against Japan.

## PERMIT FOR MR. HABIBUR REHMAN TO ENTER GERMANY

**\*859. Shri H. V. Kamath:** Will the Honourable the Prime Minister be pleased to state:

(a) whether it is a fact that Mr. Habibur Rehman, Indian Broadcaster from Berlin during the last war has been refused an entry permit for Germany;

(b) if so, on what grounds;

(c) whether the Indian Military Mission in Berlin has taken any steps in the matter; and

(d) if not, why not?

**Dr. B. V. Keskar** (Deputy Minister of External Affairs): (a) Yes.

(b) to (d). We have no official statement on the subject, but the reasons for refusal are obvious. Mr. Habibur Rehman was closely associated with the Nazi regime in Germany, and is, therefore, a *persona non-grata* with the Allied Powers in occupation of Germany. In view of this, any intervention on our part is not considered necessary and would be of little use.

FREE RATIONS TO DISPLACED PERSONS

\*860. **Lala Achint Ram:** (a) Will the Honourable Minister of Rehabilitation be pleased to state the number of displaced persons who have ceased to receive free rations?

(b) After the discontinuance of free rations, how many persons have been unable to find employment?

(c) Out of these persons who have been able to find work, how many are earning less than a rupee a day?

**The Honourable Shri Mohan Lal Saksena:** (a) Supply of free rations was discontinued in the case of 4,65,000 displaced persons during the period 31st March—1st November, 1949. It is estimated that another 80,000 displaced persons have been derationed since.

(b) and (c). It is not easy to collect this information. Government are, however, subsidizing displaced persons at places where they cannot earn enough.

LOSS IN INCOME DUE TO CHANGE IN EXCHANGE RATE OF PAKISTAN CURRENCY

\*861. **Giani Gurmukh Singh Musafir:** (a) Will the Honourable Minister of Commerce be pleased to state the approximate loss of income to the importers and exporters connected with the Indo-Pakistan trade, arising from the change in the exchange rate of Pakistan currency in relation to Indian Currency, and the approximate number of the persons affected thereby?

(b) Are Government aware that the majority of such persons are living on the Indo-Pakistan border and most of them are displaced persons?

(c) Are Government aware of the financial position of the displaced persons and do Government propose to pay special attention to their cases?

**The Honourable Shri K. C. Neogy:** (a) Government do not have the information required by the Honourable Member, nor do they consider it possible to collect the same with any degree of accuracy.

(b) Government are aware that some of the persons engaged in the import and export business with Pakistan are living on the Indo-Pakistan border and that some of them are displaced persons.

(c) Government are generally aware of the financial position of the displaced persons whose cases are already receiving their special attention.

ALLOTMENT OF LAND TO REFUGEES IN PROVINCES

\*862. **Giani Gurmukh Singh Musafir:** (a) Will the Honourable Minister of Rehabilitation be pleased to state whether it is a fact that the Government of India advised the Provincial Governments to make efforts to secure land in their Provinces to rehabilitate the displaced persons during the last thirty months?

(b) If the answer to part (a) above be in the affirmative, how much of land in each of the provinces has been secured for this purpose, and how much of that land has been allotted to the displaced persons?

**The Honourable Shri Mohan Lal Saksena:** (a) Yes. The Government of India also agreed to advance loans to Provincial and State Governments for giving taccari loans and other financial assistance to displaced persons.

(b) A statement giving information regarding the progress of resettlement of displaced persons on land in each Province and State is laid on the Table of the House.

## STATEMENT

*Position re Allotment of Land to Displaced Persons in various Provinces and States*

(1) *East Punjab and P.E.P.S.U*—Evacuee land is being allotted on a quasi permanent basis. The total evacuee area in East Punjab and P.E.P.S.U. is 50.86 lakh acres of which 38.37 lakh acres are cultivable. This area has been reduced to nearly 25 lakh standard acres of which more than 10 lakh acres have already been allotted under the quasi-permanent allotment scheme. Pending allotment under this scheme, land was allotted on a temporary basis.

(2) *United Provinces*.—In the colonization schemes at Ganga Khadar and Nainital Tarai, 26,250 acres will be utilised for the resettlement of displaced persons. So far 1,471 families have already been resettled in these areas. In addition, 8,929 acres of other culturable land has been utilized for the resettlement of 838 displaced families.

An area of 6,772 acres of cultivable evacuee land has been recently reported. Of this, 595 acres have already been allotted to 155 families and steps are being taken to allot the balance.

(3) *Central Provinces*.—Schemes have been sanctioned for the re-settlement of 1,200 families of displaced persons by reclaiming 13,250 acres of land in C.P. 124 displaced families had been settled under these schemes upto the end of October 1949. 1,100 acres of cultivable land has been declared as evacuee property and is being utilized for the resettlement of displaced persons.

(4) *Bombay*.—So far no agricultural evacuee land in Bombay has been reported. Schemes for the resettlement of 300 displaced families on 3,900 acres of land have been sanctioned. More than 200 families had been resettled upto the end of October 1949 under these schemes.

(5) *West Bengal*.—Schemes for the resettlement of 30,000 displaced families on an area of 5,50,000 acres have been sanctioned. 1,664 families had been resettled on 83,200 acres of land upto the middle of September 1949 under these schemes.

(6) *Delhi*.—The total evacuee culturable land in Delhi is reported to be 15,945 acres. Excluding the area in possession of local Hindu tenants, the net area available for allotment to displaced persons comes to nearly 12,000 acres. Of this, 10,410 acres have already been allotted to 737 displaced agriculturist families and 15 co-operative societies of displaced persons.

(7) *Ajmer Merwara*.—The total agricultural evacuee land in Ajmer Merwara is reported to be 1,100 acres. Of this, 517 acres have already been allotted to 87 displaced families. In addition, 42 families of displaced persons have been resettled on 420 acres of other land acquired for the purpose.

(8) *Matsya*.—The total area evacuated by Muslims in Alwar and Bharatpur Districts was 4,17,721 acres. After taking into account the area that is required for restoration to those Muslims who did not leave the Indian Dominion and the area in possession of local Hindu tenants, the net area available for allotment to displaced persons is estimated to be 2,42,158 acres. This area is considered sufficient for the resettlement of nearly 22,000 families. Upto the end of November 1949, nearly 18,000 families had already been resettled and steps are being taken to settle the remaining families as early as possible.

(9) *Bikaner*.—The total evacuee land is 2,36,000 acres of which nearly 2,00,000 acres had been allotted to about 12,000 displaced families upto the end of July 1949. A committee has been set up to review the allotments already made and to allot the remaining area.

(10) *Bhopal*.—39,000 acres of cultivable land were reported to be available in Bhopal and plans for the resettlement of 2,500 displaced families were taken in hand. Arrangements have already been completed for the resettlement of more than 1,000 families on the available land in Bhopal.

(11) *Vindhya Pradesh*.—It has been decided to resettle 400 displaced families on culturable waste land in Vindhya Pradesh.

(12) *Tripura*.—A scheme for the resettlement of 1,000 displaced families on cultivable waste land in Tripura has also been sanctioned.

(13) *Andamans*.—200 families of displaced persons were sent to the Andaman Islands for resettlement. Of these, 150 families were agriculturists. Subsequently 26 more families

took to agriculture. 847 acres of land had been allotted to these families upto the end of October 1949.

(14) The possibilities of resettlement of displaced persons on land in Madhyabharat, Rampur and other places are being explored both on the cultivable waste land and on land to be reclaimed by the Central Tractor Organisation.

### ELECTORAL ROLLS IN EAST PUNJAB

\*863. **Sardar Hukam Singh:** Will the Honourable Minister of Law be pleased to state whether in the electoral rolls for the next elections on adult franchise under the new Constitution in the East Punjab castes (Mazhabis, Kabirpanthis, Sikligars etc.,) of Sikhs have been included in the Scheduled Castes rolls in accordance with the resolution of the Constituent Assembly?

**The Honourable Dr. B. E. Ambedkar:** The Honourable Member seems to be under a misapprehension as to the position of Scheduled Castes in regard to elections under the new Constitution. Castes, races or tribes which are to be deemed to be Scheduled Castes for the purposes of the Constitution are to be specified by the President, after consultation with the Governor or Rajpramukh of the State concerned, by public notification under Article 341. The Government of India have no doubt that the four castes (Mazhabis, Kabirpanthis, Sikligars and Ramdasis) of Sikhs recommended to be included in the list of Scheduled Castes by the Constituent Assembly will be included in the list by the President. Since a system of joint electorates is to be adopted, members of the Scheduled Castes will not be shown separately in the electoral rolls. In fact, the rolls will not ordinarily contain information about the caste or community of the elector.

### BURMA EVACUEES

\*864. **Prof. N. G. Ranga:** Will the Honourable the Prime Minister be pleased to state:

(a) whether Government are aware that a large number of Burma evacuees have returned to Vizagapatam district;

(b) if so, how many they are;

(c) whether any relief (either lump-sum or monthly payments) is being given to them until they are able to rehabilitate themselves; and

(d) whether in view of the fact that so many evacuees used to work in the saw-mills in Burma, Government will consider the advisability of persuading the Government of Madras to establish saw-mills in Vizagapatam district where there are plenty of forests, so that these evacuees could find employment?

**Dr. B. V. Keekar** (Deputy Minister of External Affairs): (a) and (b). About 11,700 Indian nationals have arrived at Vizagapatam from Burma between January and October, 1949.

(c) Destitute Indians are repatriated from Burma by our Embassy in Rangoon at Government expense. They are received at the port in India by our Protector of Emigrants and are paid travelling expenses and diet charges to enable them to reach their destinations. Such of them as have no homes to go to immediately, are granted allowances on the scale as those laid down for other refugees in India, until they are found employment or otherwise absorbed. No lump sum or monthly allowances are paid by the Government.

(d) The Government have no statistics regarding the number of evacuees who might have been working in saw-mills in Burma before their evacuation to India. The All India South East Asia Refugees Association, Baruva, in their representation, submitted to the Government of India in May, 1949, suggested, *inter alia*, the establishment of saw-mills in the Vizagapatam district. The suggestion has been communicated to the Government of Madras for their consideration.

#### DELHI CO-OPERATIVE HEALTH CENTRES SCHEME

\*865. **Babu Ramnarayan Singh:** Will the Honourable Minister of Rehabilitation be pleased to state:

(a) how many Centres were started in Delhi under the Co-operative Health Centres scheme, what amount was spent and what income was derived in each case;

(b) which of these Centres have been successful and what encouragement Government intend to give to such Centres; and

(c) what efforts have been made by Government for making the scheme a success?

**The Honourable Shri Mohan Lal Saxena:** (a) A statement giving the required information is placed on the Table of the House.

(b) The Ayurvedic and Homeopathic Health Centres at Gole Market and Subzimandi, Delhi, showed promise of success. The scheme contemplated Government help for a short period only to enable displaced practitioners to make a start, and accordingly the management of these two Centres have been transferred to the Doctor and Vaidya in charge and the All India Institute of Homeopathy.

(c) Besides providing equipped premises in centrally situated areas, Government bears the salaries of the staff for three months in the first instance.

#### STATEMENT

Name of the centre	Total expenditure incurred	Total income derived
	Rs.	Rs.
<b>I. ALLOPATHIC CENTRES—</b>		
(1) Co-operative Health Centre, Gole Market	8,383-11-3	323-6-0
(2) Co-operative Health Centre, Daryaganj	10,550-1-6	1,334-15-0
(3) Co-Operative Health Centre, Pusa Colony	4,916-14-3	1,369-8-6
<b>II. HOMOEOPATHIC CENTRES—</b>		
(4) Co-operative Homeopathic Health Centre, Subzimandi	4,955-7-9	2,413-10-0
<b>III. AYURVEDIC CENTRES—</b>		
(5) Co-operative Ayurvedic Health Centre, Gole Market	4,734-9-9	3,015-13-0
<b>TOTAL</b>	<b>32,640-13-6</b>	<b>8,462-4-6</b>

## UNSTARRED QUESTION AND ANSWER

### VICE-CONSULATES AT JALALABAD AND KANDAHAR

**37. Shri Lakshminarayan Sabu:** (a) Will the Honourable the Prime Minister be pleased to state what will be the annual recurring cost of opening Vice-Consulates at Jalalabad and Kandahar?

(b) What will be the initial expenditure of opening the said two Vice-Consulates?

(c) What is the reason for opening them now?

**Dr. B. V. Keskar** (Deputy Minister of External Affairs): (a) The annual recurring cost in respect of Jalalabad and Kandahar Vice-Consulates will be about Rs. 48,000 each.

(b) The initial expenditure in respect of Jalalabad and Kandahar Vice-Consulates would approximately be Rs. 38,450 and Rs. 36,150 respectively during the year 1949-50.

(c) The Vice-Consulates in question are already functioning. They were opened at the request of the Government of Afghanistan to facilitate grant of visas to Afghan nationals visiting India.

### SHORT NOTICE QUESTIONS AND ANSWERS

#### DEPOSITS OF NON-MUSLIMS IN CO-OPERATIVE CREDIT SOCIETIES IN WEST PUNJAB

**Sardar Hukam Singh:** Will the Honourable Minister of Rehabilitation be pleased to state:

(a) what the total deposits left behind by non-Muslims in the Co-operative Credit Societies of the West Punjab are;

(b) what the total deposits left behind by the Muslims in similar Societies in the East Punjab are;

(c) whether the question of repayment of these assets by the West Punjab Government has been taken up at Inter-Dominion Conferences; if so, with what results and if not, why not; and

(d) whether Government propose to pay *pro rata* out of the Muslim deposits to the non-Muslim depositors for the period this question is not finally decided and if not, why not?

**The Honourable Shri Mohan Lal Saksena:** (a) East Punjab Government has a claim of Rs. 8,54,54,746 for assets left behind by non-Muslims with the Co-operative Credit Societies in the West Punjab.

(b) West Punjab Government has a claim of Rs. 1,28,387 on account of the assets left behind by Muslims in Co-operative Credit Societies in East Punjab.

(c) Yes. An agreement on this question was reached. A copy of the relevant portion of the agreement is placed on the Table of the House.

(d) In view of the fact that the agreement is in the course of implementation, the question does not arise.

*Copy of extract of Inter-Dominion Agreement on Banking reached at Lahore on 22nd-23rd April 1949*

## PART II

*Co-operative Institutions*

1. Co-operative institutions in the East and West Punjab including the Punjab States now merged in the East Punjab and Delhi.

In pursuance of the discussions which took place between the representatives of the Government of East Punjab and West Punjab in the three meetings held on 15th March, 1948, 2nd April, 1948 and 27th May 1948, the minutes whereof are attached as Annexures I, II, and III to this agreement, the following agreement was reached:

(a) The Government of East Punjab will take steps for the removal of the 'stops' recorded against the securities belonging to the Punjab Provincial Co-operative Bank Ltd., Lahore, or other Co-operative Institutions of West Punjab and N.W.F.P., the orders to take effect on receipt by the Reserve Bank of India, Delhi, of the securities of the face value of Rs. 1,04,65,500 mentioned in (b) below.

(b) Against the net sum of Rs. 2.26 lakhs odd arrived at by the Registrars of the two Provinces as payable to East Punjab the Punjab Provincial Co-operative Bank Ltd., Lahore, will hand over to the Reserve Bank of India, Delhi, duly endorsed in favour of the Ambala Central Co-operative Bank Ltd., Ambala, securities of the face value of Rs. 1,04,65,500 deposited with them by the Co-operative institutions now located in the East Punjab and in addition securities of the face value of Rs. 41,00,000 now agreed to be made available to the East Punjab and the balance will be kept back by the Punjab Provincial Co-operative Bank Ltd., Lahore, pending the final adjustment of unverified claims and the drawing up of the final balance-sheet as in (e) below.

The East Punjab Government will first arrange that the Punjab Provincial Co-operative Bank Ltd., Lahore, gets the necessary authority for transferring the securities of the face value of Rs. 1,04,65,500 mentioned above.

Securities of the face value of Rs. 41,00,000 mentioned above will be delivered duly endorsed to the Reserve Bank of India, Delhi, within three weeks of the receipt of intimation by the West Punjab Government of the removal of the 'stops' as in (a) above and the vacation of the injunctions, whichever is later.

(c) The East Punjab Government will immediately on the receipt of securities of the face value of Rs. 1,04,65,500 by the Reserve Bank of India, Delhi, as in (a) above take steps for the withdrawal of the pending suits relating to the title of the securities held by the Punjab Provincial Co-operative Bank Ltd., Lahore.

(d) The Registrars of Co-operative Societies of the East and West Punjab will take steps as soon as the transfer of securities mentioned in (b) above has been effected to issue the necessary authority to their respective Provincial Co-operative Banks to make payment of the deposits payable on account of the depositors who have migrated from the other Province.

(e) In order to facilitate the final settlement of the matter the two Registrars will immediately take steps to examine the unverified claims and complete the verified claims and complete the verification by the 31st August, 1949, and prepare a final balance-sheet together with a list of claims, if any, on which agreement could not be reached by them.

NOTE.—Deposits of Muslims who have stayed on in Delhi Province and in the District of Gurgaon will not be transferred for payment in West Punjab.

**Sardar Bhopinder Singh Man:** Are there any securities of the Punjab Co-operative Bank, Lahore, lying with the Reserve Bank of India?

**Mr. Speaker:** How does this question arise from this?

**Sardar Bhopinder Singh Man:** There are certain securities lying in Pakistan of Co-operative Banks in India, and I am asking whether there are certain securities lying still with the Reserve Bank of India, belonging to the Pakistan Co-operative Banks.

**The Honourable Shri Mohan Lal Saksena:** Yes.

**Sardar Bhopinder Singh Man:** To what value?

**The Honourable Shri Mohan Lal Saksena:** I require notice of this question.

**Sardar Bhopinder Singh Man:** Are there any moneys lying at the Calcutta Co-operative Bank belonging to Muslim evacuees?

**The Honourable Shri Mohan Lal Saksena:** I require notice of this question also, but I may inform the Honourable Member that an agreement has been entered into by which certain securities of co-operative societies are to be placed at the disposal of the Reserve Bank of India by Pakistan and at the disposal of the Pakistan Government by us, and that process is in the course of implementation.

**Sardar Bhopinder Singh Man:** Before these securities are returned to Pakistan, may I have an assurance that a proper settlement of the two accounts between the two Dominions will be arrived at?

**The Honourable Shri Mohan Lal Saksena:** The agreement covers the settlement of the two accounts.

#### LEGISLATION FOR EFFECTING CHANGES IN THE ADMINISTRATIVE SET-UP OF DELHI PROVINCE

**Shri Deshbandhu Gupta:** (a) Will the Honourable the Prime Minister be pleased to refer to the assurances given by him to the people of Delhi in the course of his speech delivered at the last Delhi Provincial Political Conference and the speech he made during the last session of the Constituent Assembly on 1st August, 1949, to the effect that necessary legislation would be passed by Government in the November Session of the Parliament incorporating changes which Government propose to introduce in the future administrative set-up of Delhi Province and state what steps Government have taken to give effect to those assurances?

(b) Do Government propose to bring forward any Bill for the purpose before the Parliament before the conclusion of the present session? If not, why not?

**The Honourable Shri Jawaharlal Nehru:** (a) and (b). The Honourable Member is quite right in drawing attention to statements, made by me both in public and in this House. In the speech I delivered in this House on the 1st August, 1949, I pointed out that we could not bring legislation in regard to Delhi before the Constitution Act was passed or till the House enabled us to do so in some other way. I had expressed the hope then that we might be able to bring legislation in regard to Delhi in this present session of Parliament. Owing to the fact that the Constitution Act was finalised much later than was expected, there has been some delay in carrying out the assurance in regard to legislation for Delhi.

Government have, however, given earnest consideration to this matter on several occasions. The position of Delhi, both the old and new city, is in some ways unique, and it is difficult to treat it as any other part of India. It has been the desire of Government that the fullest autonomy should be given to Delhi. On the other hand, New Delhi presents special and peculiar problems which normally cannot be dealt with in the ordinary way. Then there is a question of the large number of displaced persons who have come to Delhi in the course of the last two years or more.

Having considered all aspects of this question, Government came to the conclusion that the administration of New Delhi should be kept separate from the administration of old Delhi and the Notified Areas. It was proposed that a Corporation might be set up for the whole of the urban area, other than New

Delhi, and that this Corporation should have the largest powers, but not including such powers and functions as law and order, judiciary, public health, Delhi University and some like subjects. New Delhi consisting as it does largely of official institutions, Government offices and property owned by Government and foreign embassies, legations and chanceries should have a separate administration. It was further proposed that there should be a central authority for co-ordinating the activities of the Delhi Corporation and the New Delhi administration, as well as of any body which might be set up for the rural areas of Delhi.

Government propose to introduce legislation on this basis. It is not possible to do so in the present session of Parliament for lack of time as the session will end this week. But they hope to take an early opportunity of bringing forward this legislation.

**Shri Deshbandhu Gupta:** May I know whether Government undertake to bring forward a Bill in the next session, i.e., the budget session?

**The Honourable Shri Jawaharlal Nehru:** It is rather difficult for me to make any final commitment or to give a guarantee, but as I said, we do want to deal with this as early as possible.

**Shri Deshbandhu Gupta:** Is it realised, Sir, that the Honourable the Prime Minister did give an assurance to the Political Conference that when the new Constitution is given effect to, Delhi also would have some measure of responsible Government, and if so, why matter is being postponed indefinitely?

**Mr. Speaker:** Order, order. That is going into arguments.

**Shri Deshbandhu Gupta:** I want to draw the attention of.....

**Mr. Speaker:** He can ask only for information.

**Shri Deshbandhu Gupta:** May I know what will be the earliest opportunity when Government will be able to bring forward the contemplated Bill?

**The Honourable Shri Jawaharlal Nehru:** It may be early next year.

**Ch. Ranbir Singh:** May I know what steps are taken to safeguard the interests of the rural people?

**Mr. Speaker:** This is a question only with regard to the Delhi Province.

**Shri B. Das:** In view of the intended separation of the New Delhi from the Old Delhi administration—a step I welcome very much,—will the Honourable the Prime Minister take steps to reduce the overhead expenditure of the Delhi Administration which is very much too heavy?

**Mr. Speaker:** Order, order.

**Shri Mahavir Tyagi:** May I know whether the scheme which has been enunciated by the Honourable the Prime Minister is really satisfactory to my friend, Mr. Desbandhu Gupta?

**Mr. Speaker:** Order, order.

**Shri Mahavir Tyagi:** On a point of order, Sir. I take it that under the rules one member can put a question to another member of the House also?

**Mr. Speaker:** For that previous notice has to be there. I do not think I can allow this sort of questions between members.

**Shri Deebbandhu Gupta:** May I draw the attention of the Honourable the Prime Minister to another part of his speech which he delivered in the Constituent Assembly, in which he had given an assurance that he was agreeable to giving extra representation to Delhi in the House of the People, and ask what he proposes to do with regard to that assurance?

**The Honourable Shri Jawaharlal Nehru:** I am grateful that he has drawn my attention to it, but I have not the faintest recollection of having made that statement.

**Shri Deebbandhu Gupta:** I have got the speech with me.

**Mr. Speaker:** Order, order.

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## CONTENTS

Vol. VII—19th December to 24th December, 1949.

	PAGES
<b>MONDAY, 19TH December, 1949.—Vol. VII.—No. 1.</b>	
Allotment of time for Sugar Debate . . . . .	783
Hindu Code—Motion to consider—Adopted . . . . .	783—92
Business of the House—	
Allotment of time for Sugar Debate . . . . .	792—93
Abducted Persons (Recovery) and Restoration Bill—Passed as amended . . . . .	793—806
Inland Steam Vessels (Amendment) Bill—Passed . . . . .	806—07
Cinematograph (Second Amendment) Bill—Consideration of clauses—Not concluded . . . . .	807—27
<b>TUESDAY, 20TH December, 1949.—Vol. VII.—No. 2.</b>	
Rights and Privileges of Members . . . . .	847—49
Announcement <i>re</i> Rules of Procedure and Conduct of Business . . . . .	829—32
Banking Companies (Amendment) Bill—Introduced . . . . .	832—33
Patents and Designs (Extension of time) Bill—Introduced . . . . .	833
Undesirable Immigrants (Expulsion from Assam) Bill—Introduced . . . . .	833
Business of the House . . . . .	833—36
Cinematograph (Second Amendment) Bill—Passed as amended . . . . .	836—47
Delhi Premises (Requisition and Eviction) Amendment and Validation Bill—Passed as amended . . . . .	849—52 852—86
Resolution <i>re</i> Extension of Period mentioned in Sections 2 and 3 of India (Central Government and Legislature) Act, 1946, as adapted—Adopted . . . . .	886—91
<b>WEDNESDAY, 21ST, December, 1949.—Vol. VII.—No. 3.</b>	
Motion for Adjournment <i>re</i> Eviction of an Indian Bank in Lahore by Pakistan Government . . . . .	893
Panel of Chairmen . . . . .	893
Committee on petitions . . . . .	894
Business of the House . . . . .	894
Road Transport Corporations Bill—Introduced . . . . .	894
Army Bill—Introduced . . . . .	895
Estate Duty Bill—Discussion on motion to consider, as reported by Select Committee.—Postponed . . . . .	895
Ajmer-Merwara Tenancy and Land records Bill—Discussion on motion to consider as reported by Select Committee— Postponed . . . . .	895—96
Resolution <i>re</i> Revision of convention relating to Separation of Railway from General Finance—Adopted . . . . .	896—943
Imports and Exports (Control) Amendment Bill—Discussion on motion to consider—Not concluded . . . . .	943—46
<b>THURSDAY, 22ND December, 1949.—Vol. VII.—No. 4.</b>	
Emblems and Names (Prevention of Improper Use) Bill—Introduced . . . . .	947
Air Force Bill—Introduced . . . . .	947
Imports and Exports (Control) Amendment Bill—Passed . . . . .	947—59

	PAGES
Professions Tax Limitation (Amendment and Validation) Bill—Passed . . . . .	959—60
Taxation Laws (Extension to Merged States and Amendment) Bill—Passed as amended . . . . .	960—78
Central Reserve Police Force Bill—Passed . . . . .	978—85
Police Bill—Passed . . . . .	985—90
FRIDAY, 23RD December, 1949.—Vol. VII.—No. 5.	
Demands for Supplementary Grants for 1949-50 . . . . .	991—1044
Demand No. 1.—Customs . . . . .	991—95
Demand No. 2.—Central Excise Duties . . . . .	995—96
Demand No. 11.—Constituent Assembly . . . . .	996—1002
Demand No. 15A.—Department of Parliamentary Affairs . . . . .	1002—10
Organisation and mode of working of Department of Parliamentary Affairs	1002—10
Demand No. 19.—Ministry of External Affairs . . . . .	1010—12
Demand No. 23.—Ministry of Works, Mines and Power . . . . .	1010—12
Demand No. 32.—Audit . . . . .	1012—14
Demand No 36.—Ports and Pilotage . . . . .	1014—16
Economy . . . . .	1014—16
Demand No. 39.—Tribal Areas . . . . .	1016
Demand No. 40.—External Affairs . . . . .	1016—26
Demand No. 69.—Civil Works . . . . .	1026—30
Demand No. 74.—Miscellaneous . . . . .	1030—33
Demand No. 75.—Expenditure on Refugees . . . . .	1033—43
Demand No. 88.—Andaman and Nicobar Islands . . . . .	1043—44
Demand No. 89.—Relations with Indian States . . . . .	1044
Demand No. 97.—Capital Outlay on Currency . . . . .	1044
Demand No. 99.—Delhi Capital Outlay . . . . .	1044
Demands for Supplementary Grants for 1949-50—Railways . . . . .	1044—45
Demand No. 2.—Audit . . . . .	1044
Demand No. 3.—Miscellaneous Expenditure . . . . .	1044
Demand No 4.—Ordinary Working Expenses—Administration . . . . .	1044—45
Demand No. 16.—Open Line Works—Additions . . . . .	1045
Banking Companies (Amendment) Bill—Referred to Select Committee . . . . .	1045—47
Industrial Disputes (Appellate Tribunal) Bill—Referred to Select Committee . . . . .	1047—48
Mines Bill—Discussion on motion to refer to Select Committee—not concluded . . . . .	1048—50
SATURDAY, 24TH December, 1949.—Vol. VII.—No. 6.	
Papers laid on the Table.—	
Conventions and Recommendation adopted by International Labour Conference . . . . .	1051
Statement indicating action proposed on I. L. C. Conventions and Recommendation . . . . .	1051
Report on accident to Air India Dakota . . . . .	1051
Trade Relations between India and Pakistan . . . . .	1051
Indian Tariff (Third Amendment) Bill—Introduced . . . . .	1052
Mines Bill—Referred to Select Committee . . . . .	1052—55
Motion <i>re</i> Sugar Situation . . . . .	1055—1118

# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Thursday, 22nd December, 1949.

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

## QUESTIONS AND ANSWERS.

(See Part I)

11.53 A.M.

### EMBLEMS AND NAMES (PREVENTION OF IMPROPER USE) BILL

**The Honourable Shri K. C. Neogy** (Minister of Commerce): Sir, I beg to move for leave to introduce a Bill to prevent the improper use of certain emblems and names for professional and commercial purposes.

**Mr. Speaker:** The question is:

“That leave be granted to introduce a Bill to prevent the improper use of certain emblems and names for professional and commercial purposes.”

*The motion was adopted.*

**The Honourable Shri K. C. Neogy:** Sir, I introduce the Bill.

### AIR FORCE BILL

**The Honourable Shri Satyanarayan Sinha** (Minister of State for Parliamentary Affairs): Sir, I beg to move for leave to introduce a Bill to consolidate and amend the law relating to the government of the Air Force.

**Mr. Speaker:** The question is:

“That leave be granted to introduce a Bill to consolidate and amend the law relating to the government of the Air Force.”

*The motion was adopted.*

**The Honourable Shri Satyanarayan Sinha:** Sir, I introduce the Bill.

### IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL—contd.

**Mr. Speaker:** The House will now proceed with the further consideration of the following motion moved by the Honourable Shri K. C. Neogy yesterday, namely:

“That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration.”

**Prof. Shibban Lal Saksena (U.P.: General):** Sir, while I thank the hon. Minister for having brought forward this Bill to make up for the loss of about Rs. 25 lakhs which we spend on the scrutiny of these applications, I was rather surprised that Government should have brought forward this Bill at this juncture. Only recently I gave evidence before the Committee appointed by the hon. Minister, for State Trading, and I was happy to know that soon the Government will give effect to the desire of the House expressed so often that the whole import and export trade of the country should be conducted by a Corporation formed by the Government. You will remember, Sir, that when measures for checking inflation were being considered at the last session, one of the important recommendations made was that the import and export trade of the country should be handled by a Government Corporation. I was therefore very much encouraged when the Committee was appointed to go into the question of State Trading, and in my evidence also I laid special emphasis on this aspect. I personally feel that the time has come when State Trading should be taken up in this country. Then there would be no need either to bring forward a Bill of this nature or to levy fees on the hundred and one lakh of applications that are received every year and charge people at the rate of Rs. 10, 25 and 100. I want to take this opportunity to draw from the hon. Minister an assurance as to what he proposes to do in that connection. I am hoping that the Report of that Committee will be available very soon. Probably in the next session of the Parliament he may have to implement its recommendations. If it is only a matter of two or three months, then why bring this Bill now and give room for the people to complain "You are charging us money even for applications"? Therefore, unless my hon. friend has given up the idea of taking up State Trading and of forming a Corporation to conduct the entire trade of the country, I think there is really no purpose in bringing forward this Bill at this juncture.

I am very anxious about the trade of our country, particularly because of the adverse nature of the balance of our trade during the last seven months. I am very happy to know that during the last month our trade balance has been in favour of India by about Rs. 8 crores. Still I feel that this is a question of life and death to our country and this is the time when the whole question about our trade balances and our entire trading should be very carefully enquired into with a view to handling it more effectively. I hope the hon. Minister will give us some idea as to what he proposes to do in regard to this matter.

When I gave evidence before the State Trading Committee I was told that vested interests are opposed to this measure and the whole idea of State trading. They will naturally do so. I was told that there were huge numbers of people employed in the trade and that they will be thrown out of employment if State trading were undertaken. I want to tell the hon. Minister that the Government need not consider that objection. In fact one of the mistakes committed when the Government took over the Delhi Transport Service was that we dismissed the General Manager and some other persons who had been in the company's employment. If we had taken those people into our service and run the Transport Service with their help, I think it would have been much better. My own idea is when we take over an undertaking we should also take over the people working in it into Government service. They must become Government servants. They should have security of service and should feel that they were thereafter working for patriotic purposes for their own Government. (A hon. Member: How could the whole lot of them be employed?) When a trade is brought under Government's own control, they could appoint various executives for dealing with the different kinds of trade, for example, jute, cotton, etc. In the machinery of these executives all those persons

engaged in the particular business could be employed. The whole export and import trade of the country should be conducted through one single organisation—one Corporation—which would so adjust our imports and exports as to ensure that there is a favourable balance of trade and so that we could overcome these hard times.

While I have taken this opportunity of drawing the attention of the hon. Minister to this important question—and I hope he will make a full statement to the House and the country—I want to support the point made by my friend Mr. Tyagi that it would be much better if we include in the Act itself a schedule showing the various fees chargeable on the applications. I thought his proposal was quite a good one, though I consider that for bigger amounts he could have suggested higher fees than even Rs. 100. That will fill the purse of the Government and enable them to meet the expenditure they are incurring on scrutinising these applications.

Sir, I do not want to take the time of the House because we are hard-pressed for time. I hope the hon. Minister will take this opportunity of letting us know as to what he proposes to do about State Trading.

**Shri R. K. Sidhva** (C.P. and Berar: General): Sir, this Bill is of a limited scope. The hon. Minister desires that a certain amount of fee should be levied on applications for licences or renewal of licences. Though this Bill will not bring in that amount of revenue which will make the Import Control Department which issues these licences, self-supporting, it will, to a very great extent, minimise the fictitious applications for import licences that have for a number of years been pouring into this Department. We know that this Import Control Department has been very severely criticised, for good reasons or bad. The fact remains that licences which should have been given were not given and licences which should have been refused have been given, with the result that a considerable amount of discontent and corruption has entered into this Department. I am sanguine that by the provisions contained in this Bill, these would be removed to a very great extent, although I do feel that they won't be removed absolutely. But nobody would like to spend his money when he fully knows that in the event of his application not being accepted he is going to lose the fee-paid by him. Therefore, I welcome this measure.

Of course, yesterday the hon. the Mover gave the House an idea as to what would be the fees that would be charged. He said that he would levy a graded fee, that is, Rs. 10 up to Rs. 10,000, Rs. 25 up to Rs. 1 lakh and Rs. 100 beyond Rs. 1 lakh. I agree with this, but my point is why should we not mention it in the Act itself. Some schedule on this matter certainly requires to be put in. After all, the Bill does not state that rules will be made to that effect. It only says, "The Central Government may levy such fee as it may specify...". This matter should have come under the executive functions of the Ministry. In a similar case, the Railway Ministry, in order to avoid any kind of fictitious consignment notes, have, by executive order, laid down that a certain amount of money should be paid along with the consignment notes. Therefore, I don't know why that idea has not been incorporated here. Anyhow, it is a legal matter and if the Ministry has taken legal advice on this, then I have no objection to it.

As regards the fee, instead of Rs. 10, I would have suggested a minimum of Rs. 25/-. If we really want to put a stop to the large number of fictitious applications received, especially for small imports, we should put the fee up. It matters little to the *bona fide* merchant because he does not mind spending twenty-five rupees for getting a licence. Sir, I know of a case in the past where twenty applications were sent in the name of one man. If we raise the fee, all that will be stopped.

[Shri H. K. Sidhva]

It is not clear whether, if an application is rejected, the fee is to be refunded. I don't think that is the intention, but it is not clear.

**Mr. Speaker:** I don't think there is much need for the point to be argued so elaborately as that.

**Shri H. K. Sidhva:** But, Sir, it is not clear whether in the event of the application being rejected, the money is to be refunded.

**Mr. Speaker:** But does the Bill provide for refund?

**Shri H. K. Sidhva:** No, therefore, I want to make it clear that that money will not be refunded.

**Shri M. Tirumala Rao (Madras: General):** Sir, I have not got much to say with regard to the merits of the Bill. The hon. Minister has assured us that he will bring another Bill regarding the schedule of rates.

**The Honourable Shri K. C. Neogy (Minister of Commerce):** What I stated was that the parent Act which this Bill seeks to amend will expire on some date in March, 1950, so that in practice this measure will have currency for three months. That is all that I said. The law regarding control of export and import will have to be incorporated into a fresh Bill and placed before the House within that period of three months—of course, if we decide on continuing control.

**Shri M. Tirumala Rao:** My suggestion is that the schedule of rates may be left to be fixed by Government.

**The Honourable Shri K. C. Neogy:** That might be done when the new Bill comes up after three months.

**Shri M. Tirumala Rao:** Sir, I was told Government were spending about Rs. 20 lakhs on establishment for running this import-export organisation. Considering the volume of work that this establishment has to carry out, I think it needs expansion and better organisation. If you are going to collect money through these licence fees, you can very well utilise it for expanding and perfecting your organisation. Sir, this organisation deals with big and small importers and exporters. I am told nearly a lakh of applications are received annually. But may I state the experience of some very small importers? I have, for instance, drawn the attention of the officials to the case of a small man running a very good enterprise of manufacturing fountain pens in Rajahmundry. He imports to the extent of Rs. 1,000 or 2,000 at a time from the U.K. That man has to wait for months together to get his licence from the licensing authority. Once they issued a licence for Rs. 850, but by some mishap the consignee at the other end sent goods worth Rs. 980/- and because of that difference of Rs. 80/- the authorities at the Visagapatam Port refused to hand over the goods. He is sending reminder after reminder to the authorities and writing to me also; two days ago he sent another reminder to me—now if I am very influential with the Department. We have got the experience of those days when these controls were newly imposed. An applicant would receive a letter stating that his application has been passed and he can take the licence. Actually, the officer at the top passes this order, but by the time the licences should have been ready, the papers are mislaid and it takes a month to trace them out. Sometimes the officer at the top even advises the man to put in a fresh application. Sir, I want the Department to go into such cases.

**The Honourable Shri K. O. Neogy:** Pass them on to me.

**Shri M. Tirumala Rao:** I have got here a fountain pen manufactured by that man whose case I referred to just now. He has manufactured these pens himself and has presented some to all the leaders including Mahatma Gandhi. I want that the Department should pay better attention to the issue of these licences. A large number of people are suffering for want of expeditious disposal of business. They must know whether they are going to get a licence or not. At present, they don't know what exactly the technical difficulties are. I see the men at the top being frequently transferred from the Department. You must have a set of well-trained officers who should be made to stick to this Department for a continuous period of three or four years so that they understand what exactly is the policy of the Government and how to carry it out in practice.

Sir, with these remarks, I support the Bill.

**Pandit Thakur Das Bhargava (East Punjab: General):** Sir, I support the provisions of this Bill, but I have one small suggestion to make. If you read proposed section 4A, it would appear that only successful applications should be charged fees. A person has to make an application and then a licence has to be issued or renewed. Only if both these conditions are fulfilled can the fee be charged. This defect could be overcome by using the word "fees" instead of the word "fee" and inserting the words "in respect of" after "and", so that it may be absolutely clear that the Government wishes to charge fees for applications as well as for the issue and renewal of licences. Otherwise it is open to the interpretation that both these conditions must be fulfilled before the fee is charged.

**The Honourable Shri K. O. Neogy:** Is my hon. friend moving his amendments?

**Mr. Speaker:** He is only referring to them; but that can be done even later on.

**Pandit Thakur Das Bhargava:** Sir, I have only brought the matter to the notice of the hon. Minister. If he wishes to accept my suggestion, he may.

The only other suggestion which I would like to make is this. In regard to applications which are not successful, I would rather like that the amount of fees is not large. Those who get the licences will certainly be in a position to make good the fees, but it is not so in the case of those who may fail to secure licences. The failure will be for reasons which may not satisfy the applicants. I would rather insist that the Government should discharge the responsibility of making the orders regarding quotas etc. known, so that the people may know whether their applications will be accepted. Many of them don't know of all the circumstances and whether the applications will be successful or not; they come here and pay the fees and ultimately get disappointed. Therefore, Government should see that the orders or circumstances relating to the import-export business are fully made known to prospective applicants.

**Shri B. P. Jhunjhownwala (Bihar: General):** Sir, the Bill under consideration should have been introduced long ago. It is clear from the speech of the hon. Minister that Government are spending about Rs. 25 lakhs from General revenues. This could have been easily realized from applicants for Import licence. It would not have mattered much for them to pay this small fee when they have to spend much more over it for coming here etc. So this measure should have been brought long before and I welcome it.

[Shri B. P. Jhunjhunwala]

The other point which the hon. Minister made was that the whole import-export policy itself will be reconsidered within three months and revised. Further, as my hon. friend, Prof. Shibban Lal Saksena has said, the question of State Trading is under consideration. From the Statement of Objects and Reasons, I find that to do this with the efficiency that is desirable will involve an appreciable strengthening of the Import Control establishment. Partly with a view to recovering the cost of the Import Control establishment and partly with a view to discouraging frivolous applications for import licences, it is proposed that suitable fees should be prescribed to be levied on applications for import licences." So far as the imposition of this fee is concerned, I have no objection. I welcome it. But I strongly object to the Government contemplating an increase in the staff with a view to increase efficiency. Instead of complicating the procedure for obtaining import licences, Government should simplify the procedure in such a way that if an application is made, the licence is granted within the minimum time without too many formalities. This should not require more staff. It requires greater efficiency on the part of those in charge of issuing licences and simplification of the method adopted. If by enlarging the staff Government increase the technicalities, in my opinion, it will lead to more corruption, and once the staff is increased it will be very difficult to retrench them. This question of increasing the staff should not be taken up at this juncture, especially when the whole import and export policy is going to be revised within three months.

**Shri Ajit Prasad Jain (U.P.: General):** Sir, it may be that I am a solitary figure, but I feel it my duty to oppose this Bill lock, stock and barrel. I think the hon. Minister and his Advisers have not given to this problem the thought which it deserves. The object of this Bill is two-fold: one, to strengthen the staff of the Import Control establishment and second, to screen off frivolous applications. This strengthening is needed because of a very large number of applications and the necessity for a larger number of men to deal with them. Thus, the primary object of this Bill is to screen off frivolous applications. I sympathise with that object. But the question is: can the hon. Minister achieve that object with this Bill? After all, a fee of Rs. 10 or Rs. 25 or even Rs. 100 is not so heavy as to prevent a person who wants to make an application from doing so.

In this connection, I would like the House to make a review of the background of the economy which we have accepted for this country. We have a free economy. Under normal circumstances, any person who desires to import goods from any foreign country can do so, provided sufficient foreign exchange is available, but, at the present time, on account of exchange difficulties, Government have had to impose certain restrictions. Are these restrictions imposed in the interests of the importers? I say no. These restrictions are an obligation which is being placed upon the importers on account of the special circumstances arising from foreign exchange difficulties. I fail to understand, then, why it should be considered as a service rendered. Why should an obligation be camouflaged as a service? Why should this obligation, which is being imposed upon importers, be used against them? I said a moment ago that this Bill will not achieve the object of screening all frivolous applications. The reason is the smallness of the fee. If I had had my say, I would have suggested to the hon. Minister to lay it down as a condition that 10 per cent. or 15 per cent. of the money involved in the import should be deposited as security and in case a licence is granted and the person does not import goods or his application is found to be frivolous otherwise, then a part of the security should be liable to be forfeited. If you want to impose a condition, impose an effective condition. It is no use imposing an ineffective condition. I consider that this

condition is not an effective condition. I think that the whole of this Bill is entirely misconceived. It is a useless measure. It will bring you a little money. You may be able to strengthen your staff and employ a few more persons and pay them. But it is not going to achieve the object of keeping off the frivolous applications.

Again, the House must be grateful to my hon. friend Shri Mahavir Tyagi for eliciting from the hon. Minister the amounts which would be leviable on these applications. I have, for some time, been observing a tendency on the part of the Executive to appropriate a little too much of power for themselves. This House gives sanction to certain specific matters. In a matter of this kind, I think a schedule of fees should have been attached. Now that the hon. Minister is going to bring forward another comprehensive measure after three months, that matter becomes a little immaterial; nonetheless, I think it is time that the Executive realise their responsibility. When they come to the House for a certain grant, it must be a certain grant. We must be in a position to know what grant they want from us.

There is another little point about the wording of this clause. I am afraid I have not given notice of it, but I feel that this word "any application" gives rise to doubt. I understand that my hon. friend Shri Mahavir Tyagi raised that question yesterday. Some of my hon. friends tried to pooh-pooh him, but I entirely agree that "any application" may mean one particular application and you will be at liberty to make distinction between one application and another. I know that you are not going to do it. Nonetheless, I think a little change will remove that difficulty. While framing a law, we must take particular care that it does not give rise to any doubt. These are the few words I wanted to say in this connection.

**Shri C. Subramaniam** (Madras: General): Sir, I agree that a fee should be levied on applications for licences. The hon. Minister indicated yesterday the volume of work transacted in this Department, but you cannot blame the applicants for that. It is the policy of the Government that for purposes of import they should get a licence. Therefore, everybody who is anxious to import anything has to come forward with an application.

I am also aware that there is almost an organisation of persons who make profit out of these licences and this tendency will have to be checked.

In levying this fee I would request the hon. Minister to see that certain classes of importers who import goods for their own private use and not for trade are not penalised by this procedure. For example, there are some persons who might be importing useful books from outside. I may be importing books to the extent of Rs. 100. Suppose I apply for a licence, does it mean that I should also pay a fee of Rs. ten, which comes to as much as ten per cent. of the cost of the books? Even if it is Rs. 500, the fee comes to two per cent. It would be as a matter of fact a taxation on knowledge. The fee might be justifiable when books are imported on a large scale by traders.

Suppose I have got a certain machinery for which I want to import a spare part, because the part has gone out of order. The spare part let us assume, costs Rs. 100 or Rs. 200. Under the scheme envisaged by the hon. Minister I will have to pay a fee of Rs. ten, which means five to ten per cent. over the cost price of the part. This would really be a hardship on *bona fide* consumers who import goods for their own personal use. Therefore a distinction has got to be made in respect of goods imported for trade and goods imported for private use only.

[Shri C. Subramaniam]

Bogus and fictitious applications are likely to be made only in cases where there is huge profit. There won't be such a huge number of applications in respect of items of this sort worth only Rs. 500 or less. It is from that point of view, Sir, that I have tabled an amendment that all applications for import of goods worth less than Rs. 500 should be completely exempted from any fees. I have suggested that there should be a graded fee and have prescribed the maximum limit. I would, therefore, request the hon. Minister to look into this amendment and see if it is not possible for him to accept it. After all when we are giving power to the Government it is necessary that we should also restrict that power. The object of the Bill is to collect fees on applications with a view to meeting the cost of the administration. The administration will naturally see that as much fee is collected as possible. The tendency will be to expand the size of the organisation and to increase the personnel. Their contention will be that they are meeting the expenses from the fees collected by them and not from the proceeds of the general exchequer. This is a danger which should be guarded against. The hon. Minister has also not told us how much money would be collected from the levy of this fee. We have not the least idea about it.

In these circumstances I would request that the hon. Minister of Commerce should accept the amendment which I have proposed.

**The Honourable Shri K. G. Neogy:** Sir, I should first of all deal with the point that was raised by my hon. friend Mr. Tyagi and has now been supported by one or two other speakers, namely that the rate of fee should, as a matter of principle be specified in the law itself. I do not suppose the House would expect me to go through all the various statutes which support me in the proposal that I have made. Fees are normally left to be prescribed by the Executive Government. I need give the names of only a few of the enactments—some of them are recent—which support my proposal: The Motor Vehicles Act of 1939; The Petroleum Act (a comparatively recent one); The Factories Act of 1948; Rubber Production and Marketing Act; Chartered Accountants Act; The Mines and Minerals Act, 1948 and so on.

That is my justification for leaving the actual rate of fees to be prescribed by Government. Further more I have already made it quite clear yesterday that this power can be exercised by Government under this law only for the next three months; because the parent Act is due to expire within those three months. I did not expect that this proposal would meet with such heavy weather in those circumstances.

Sir, my hon. friend Prof. Shibban Lal Saksena raised the issue of State trading. Let me assure him that nothing that we may do here on the present occasion is going to prejudice that issue on which his heart is set. Now, as I have already stated this legislation will have currency only for three months and not more than that and I do not imagine that the report of the committee will be due for consideration before we take on the question of re-enactment of the Control Act itself within that period. As a matter of fact most of the principles which are of a general character, including the issue regarding State trading, would be quite relevant when we come to discuss the question of continuance of the policy of control over exports and imports which will have to be done within three months from now.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen).]

My hon. friend, Mr. Sidhva, was of the opinion that the present measure may not enable us to meet the cost of the establishment; whereas some other

friends have expressed their apprehension that we may be making so much money out of this measure that there might be a temptation for us to multiply them unnecessarily. Now, I should like to remind the House of a restriction imposed upon such measures at the instance of the Finance Ministry. What is actually going to happen is that the proceeds of this fee will be credited to Government. It is not as if the fees will be collected by my officers across the counter and spent just in the way that they like. The whole amount of the money collected will be credited to Government and it is in consideration and in expectation of a decent income being made out of this source that I have succeeded in moving the Finance Ministry to agree in anticipation to a proposal to strengthen the staff.

That brings me to the question of the exact nature of the reorganisation that we have in view. I have felt that the set-up that we have to exercise the controls is defective in that a very large proportion of the staff belongs to the clerical ranks and the responsible officers are comparatively few in number. What we really need for the purpose of meeting the various complaints as regards delays and so on is to strengthen the staff at a level where officers can dispose of applications without putting them up to somebody else. This reorganisation scheme is not with a view to multiplying the staff. As a matter of fact, we have our definite ideas on the matter and I can assure the House that this measure will not lead to any enlargement of the establishment, but improvement in the sense that more responsible officers will be available for interviewing people and dealing with applications as quickly as possible.

Sir, a reference was made by my hon. friend Mr. Tirumala Rao to what is styled as rather frequent transfers of officers. Well, I do not think we have been guilty of frequent transfers on a large scale. In the exigencies of service, perhaps, some officers have to be shifted from one place to another. But I may tell the House that the work is so heavy that there are applications from the more responsible sections of my staff for leave. It is not a question of tying these officers down to their posts for years together. It is a question of giving them relief. In some cases I was approached with a proposal that some of the more important class of officers should be allowed to go on leave because they were virtually threatened with a break-down.

Now, my hon. friend Pandit Thakurdas Bhargava stated that there should be greater publicity, and that the people should know the rules and the procedure. Now, I have in my hand a copy of the *Gazette of India, Extraordinary*, dated the 13th September, 1949 which is the latest hand-book containing all the rules and all the information that is needed by any intending applicant for an import license. My experience has been that a lot of work is due to the fact that the people do not take care to read this publication, although I am told that this is one of the best sellers to-day in India; and not merely in India, but it is in demand in foreign countries as well. And speaking from my own experience, I have met with people who come to me as if I was the licensing officer. I met an intending applicant at very nearly nine o'clock at night while I was with the Governor of East Punjab at Simla. From the lounge I was about to go across the corridor to the dining room when a card was brought to me. I thought the man must be in distress and I hurried out. I did not know the gentleman and I asked him, "What brings you here at this hour?" He replied, "I want an import license". Other instances have occurred where people have insisted on seeing me, and I had to tell them that I do not know these details and that they are all embodied in books and publications, and when I tell them they had better go and meet the officers of the Chief Controller's organisation, they ask "Where is that office located?" I have been used as a kind of information bureau by intending applicants.

**An Honourable Member:** You are a popular Minister.

**The Honourable Shri K. O. Neogy:** We have the right to say that the applicants do not take care to know what the rules and procedure are. There is always on duty in the office an Enquiry Officer who is expected to furnish information which cannot be obtained in these books.

Mr. Jhunjhunwala said that the procedure should be simplified. I entirely agree with him. As far as possible, we aim at simplification of the procedure, and that is a matter which we have always in view, and my hope is that when the re-organisation takes place, the office will work with greater rapidity and also with greater efficiency.

I was rather surprised to hear my hon. friend Mr. Ajit Prasad Jain opposing this measure on a matter of principle, and at the same time putting forward the idea that there should be heavy securities demanded from all applicants. I do not know what reception such a proposal would have from the trading community in general.

I do not think I need once again dwell upon the point about the Executive being given too much power. I have already stated my precedents in this matter.

My hon. friend Mr. Subramaniam made a suggestion that non-trading applications should be exempted up to a limit of Rs. 500. He particularly mentioned the case of a person who may be desirous of importing books worth Rs. 100 or so for his own purpose. May I again refer to a publication, or rather to a rule in the relevant publication which says that these control regulations do not apply to any goods imported by an individual as passenger luggage or through the post for the personal use of the importer, except postal parcels of vegetable seeds, etc. etc. Books worth Rs. 100, if they are brought by post, will definitely be covered by that rule. But I may say that.....

**Shri C. Subramaniam:** Can he get it otherwise than by post?

**The Honourable Shri K. O. Neogy:** I am coming to that. As a matter of fact yesterday I stated that it is our intention to exclude from the purview of this particular legislation applications for import licences if received from educational institutions, charitable bodies, local bodies, provincial governments, government departments and so on. I am prepared to consider further whether we can go some way to meet my hon. friend in regard to the particular point mentioned by him. And here again I claim it is a merit of the procedure that I have suggested that it leaves our hands to a certain extent free for the purpose of making necessary adjustments. If we are to lay down a schedule, we would have to put every conceivable thing in that schedule. If you wanted to have an exception made, that exception must necessarily be laid down in specific terms. So I hope my hon. friends would be satisfied that the legitimate interests of people who are desirous of indenting books, for instance, for their own use, would not be jeopardised in any way by this measure.

Sir, my hon. friend Mr. Subramaniam referred, very incidentally, however, to the belief that there is an organisation that makes money out of these import controls and all that. As a matter of fact, I have had occasion to direct enquiries to be made into specific allegations of this kind whenever they came to my notice. But I want to remind the House that there are certain evils attendant on controls of this kind which it is very difficult to avoid altogether. And I may assure the House that it does not give me any pleasure to be associated with the administration of controls of this kind, and I would congratulate my successor when he would be in a position to announce the abolition of these controls.

**Shri Prabhu Dayal Himatsingka** (West Bengal: General): When do you expect that a nouncement?

**The Honourable Shri K. C. Neogy:** If I may I would give a small quotation from the London Economist which shows that the evils that we complain of are not peculiar to India. There it refers to the fact that controls are unavoidable and that they create certain relations between government officials and industry and trade which also are unavoidable.

The article goes on like this:

"Inevitably the business-man whether he seeks an undeserved advantage over his competitor or is honestly anxious to get on with the job is a powerful supplicant and because he cannot know every detail of the working of the Governmental machine, he is ready to use the services of a contact man, who does. Before the contact-man is condemned out of hand, it is well to remember that he is merely the product of adaptation and specialization to a particular economic environment. He will disappear and the temptations of office will be reduced only when controls are reduced and simplified."

Sir, I do not think that I can add anything more by way of replying to the various points that have been raised.

So far as the amendment that has been suggested by you is concerned, Sir, its intention being to clarify the object that you have in view, I would not raise any objection to that amendment, but as it is, I take it more a matter of drafting than anything else. The object, let me repeat, is that the fee would be leviable on applications for a licence, the issue or renewal of any licence, and further that the fees would not be refundable in any circumstance.

**Mr. Chairman:** The question is:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Preamble were added to the Bill.*

**The Honourable Shri K. C. Neogy:** Sir, I move:

"That the Bill be passed."

**Mr. Chairman:** Motion moved:

"That the Bill be passed."

**चौधरी रणबीर सिंह:** सभापति जी, मैं इस कायदे का स्वागत करता हूँ। मुझे तो ताज़्जुब है कि इससे पहले इस चीज की तरफ क्यों ध्यान नहीं दिया गया, इस लिये कि इम्पोर्टर्स (importers) ने दौरे में काफी रुपया कमाया है। अगर किसी ने एक लाख का इम्पोर्ट किया तो उसने उससे तीन और चार लाख कमाया है। ऐसे आदमियों से कोई फीस न ली जाय यह तो समझ में नहीं आता, खास कर जबकि एक ५० रुपये की नौकरी के लिये अगर किसी को फंडरल या

[श्रीधरी रणबीर सिंह]

प्रविन्धियल पब्लिक सरविस कमीशन के सामने जाना होता है तो उससे भी फीस ली जाती है। ऐसी हालत में एक आदमी जो अपनी रोजी इम्पोर्टस के जरिये कमाता हो और लाखों रुपये कमाता हो, अगर उसके ऊपर फीस न हो तो यह मेरी समझ में नहीं आता और मुझे इस पर ताज्जुब था कि अब तक ऐसा क्यों नहीं किया गया।

दूसरी चीज जो मुझे इस बारे में कहनी है वह यह है कि जो फीस लगाई जाय वह रिट्रोग्रेड प्रिंसिपल (retrograde principle) को मानते हुये न लगाई जाय बल्कि प्रोग्रेसिव प्रिंसिपल ( progressive principle ) को मानते हुये लगाई जाय। मैं कोई सास टैक्स का सुझाव नहीं करना चाहता हूँ, लेकिन मैं यह कहना चाहता हूँ कि जो ज्यादा पैसा कमाता है उससे ज्यादा फीस ली जाय तो कोई हर्ज नहीं। यह कोई टैक्स नहीं है। यह तो आपके डिपार्टमेंट को एफिशिएंटली (efficiently) चलाने के लिये है। इस लिये मेरा सुझाव यह है कि जो फीस लगाई जाय वह रिट्रोग्रेड प्रिंसिपल को मानते हुये न लगाई जाय बल्कि प्रोग्रेसिव प्रिंसिपल को मानते हुये लगाई जाय। जो ज्यादा कमाता हो उसकी दर ज्यादा होनी चाहिये।

तीसरा सुझाव जो इस बारे में मैं करना चाहता हूँ वह यह है कि जिन केसेज (Cases) में आप सरकार की फीस माफ करें वहाँ अगर कोऑपरेटिव सोसाइटीज (Co-operative Societies) कोई चीज इम्पोर्ट करें तो उनकी भी फीस जरूर माफ होनी चाहिये।

(English translation of the above speech)

**Sh. Ranbir Singh** (East Punjab: General): Sir, I welcome this Bill. Taking into consideration the enormous profits made by the importers in this country, I am rather surprised why no such measure was contemplated before. Articles imported to the value of one lac have yielded earnings as much as three to four lacs to the importer. I fail to understand the logic in exemption from fee of such persons, especially so when the Government have the practice to charge a fee even from such candidates who are required to appear before either the Federal or the Provincial Public Service Commissions, may be for a job carrying a salary of Rs. 50/- p.m. only. Under the circumstance, I can't see why a man making a livelihood out of import-business and thereby making profits to the tune of lacs should be exempted from the payment of this fee. I am rather surprised why no such steps should have been taken before.

The second submission that I want to make in this behalf is that we should not act on any retrograde principle for the levy of such a fee; we should, rather, adopt some progressive principle for that. I therefore do not intend to suggest the levy of a particular kind of tax. But I do not see any harm in charging a higher fee from those making larger profits. It is, in fact, no tax; that is simply to enable your Department to work more efficiently. That is why I venture to suggest that whatever fee is to be charged, should have a progressive principle as its basis rather than a retrograde one. The rate should be higher for those who earn more.

My third suggestion in this connection is that the articles imported by the co-operative societies must be included in the oases considered fit for exemption from the Government fee.

**The Honourable Shri K. C. Neogy:** I am very grateful to my hon. friend for the hearty support that he has given to the measure and I shall certainly bear in mind the suggestion regarding co-operative societies. I do not know exactly the kind of applications which the Co-operative societies may be interested in. Co-operative societies are in some cases consumers of raw materials for industry and things of that kind. It may be difficult to grant exemptions in all such cases, but I shall certainly examine the matter.

**Mr. Chairman:** The question is:

"That the Bill be passed."

*The motion was adopted.*

## PROFESSIONS TAX LIMITATION (AMENDMENT AND VALIDATION) BILL

**The Honourable Dr. John Matthai (Minister of Finance):** Sir, I move:

"That the Bill further to amend the Professions Tax Limitation Act, 1941, and to validate the imposition in the United Provinces of certain taxes on circumstances and property, be taken into consideration."

Sir, the Bill is a very simple measure. It deals with a question which has been under consideration between us and the United Provinces Government now for some time. The matter that this Bill tries to deal with is briefly this.

There has been in the United Provinces for a considerable number of years dating, I believe from somewhere about 1916, a tax called the tax on circumstances and property which has been levied by local bodies, by Municipalities and District Boards in regard to which the maximum limit is fixed at Rs. 250. In the Government of India Act of 1935, there is a limit of Rs. 50 fixed for profession taxes. The question might arise, therefore, on the basis of that provision in the Government of India Act whether a tax like this would be subject to the same limit of Rs. 50 as against the limit of Rs. 250 laid down in the U.P. Act, but in the Professions Tax Limitation Act of 1941, where there is a schedule which lists the kind of taxes to which this limit of Rs. 50 would be applicable, the circumstances and property tax of U.P. is not mentioned. Therefore the limit of Rs. 50 which is prescribed in the Government of India Act has not been applied to this particular tax. But last year, there was a Full Bench decision of the Allahabad High Court, which held that this particular tax is a composite tax, one element of which was a profession tax. Straightaway, therefore, the circumstances and property tax in the United Provinces, on which local bodies are dependent for a substantial part of their finance, came under this limitation of Rs. 50. Therefore, the United Provinces Government raised this question with us and we passed an Ordinance which regularized the present position and also validated the previous payment of these taxes. This Ordinance would expire in the course of a few weeks. I may point out to the House that in the new Constitution the limit of Rs. 250 has been adopted in regard to the profession tax. Unfortunately, this Ordinance would expire before the new Constitution comes into force. So I would beg the House to accept the Bill.

**Mr. Chairman:** Motion moved:

"That the Bill further to amend the Professions Tax Limitation Act, 1941, and to validate the imposition in the United Provinces of certain taxes on circumstances and property, be taken into consideration."

**Shri Praban Doyal Himastanga** (West Bengal: General): Sir, I just want an information. Since when has this tax been levied in the United Provinces?

**The Honourable Dr. John Matthai:** My information is, as far as the Municipalities are concerned, the tax came into existence somewhere about 1916.

**Shri Mahavir Tyagi** (U. P.: General): I am really very grateful to the hon. Minister of Finance for bringing this Bill before the House. He is doing a service to the local boards; they are really in trouble and have not got very big finances to run their own affairs. I am glad also that the difficulty of the U.P. Government has been fully appreciated. I need not add that on behalf of my Province and the people living in the local areas and also on behalf of the Government of U.P., I thank the hon. Minister.

**The Honourable Dr. John Matthai:** I may say in reply, Sir, that I also represent United Provinces in this House.

**Mr. Chairman:** The question is:

"That the Bill further to amend the Professions Tax Limitation Act, 1941, and to validate the imposition in the United Provinces of certain taxes on circumstances and property, be taken into consideration."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clauses 3 and 4 were added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Preamble were added to the Bill.*

**The Honourable Dr. John Matthai:** Sir, I move:

"That the Bill be passed."

**Mr. Chairman:** The question is:

"That the Bill be passed."

*The motion was adopted.*

### TAXATION LAWS (EXTENSION TO MERGED STATES AND AMENDMENT) BILL

**The Honourable Dr. John Matthai** (Minister of Finance): Sir, I move:

"That the Bill to extend certain laws relating to taxation on income to certain areas administered as parts of Governors' Provinces or as Chief Commissioners' Provinces and further to amend certain laws relating to taxation on income, as reported by the Select Committee, be taken into consideration."

The Select Committee went very carefully into the various provisions contained in this Bill. The actual changes which they have made in the provisions of the Bill are not merely few in number, but relatively unimportant.—unimportant in the sense that they do not affect the substance of any of the more important provisions. I will just briefly give the House an idea of the actual changes.

The House will remember that in the discussion which took place on this Bill a couple of weeks ago, a point was raised with regard to the date on which the Bill would be applicable in respect of States which were merged since 1st August. The Committee took that point into consideration and instead of making the provisions of the Bill operative from the 1st August, which is the date on which it becomes applicable in regard to the generality of merged States, the Select Committee adopted this device: Instead of specifying a particular date, they made the Bill operative from an appointed date and that appointed date has been defined in one of the new provisions. The definition is that with regard to the States which have merged on the 1st August, the Bill would be applicable on that date and with regard to the States which have merged since, it would be applicable from the particular date on which merger took place. There are only two States which have merged since 1st August. Provision therefore has been made in the definition for these two States, Banaras and Tebri Garhwal. In respect of both these States, the application of the Bill would be operative from the 1st of December.

Arising from that change, it has been necessary to introduce a new clause, clause 5. Under the Income-tax Act, a notice has to be issued on the 1st of May to persons who are assessable to Income-tax. In reply to that notice, Income-tax returns have to be filed within a period of two months. Under the original Bill, these Income-tax returns were expected to be filed by 1st October. The first of August is the date on which the Bill becomes operative and two months from that date would be 1st of October within which returns ought to be filed. Since a change has been made with regard to the date on which the Bill would be applicable to the States which have merged since 1st August, provision has been made that the returns would have to be filed within two months from the appointed date. The first of October is the date on which notice would be given and the returns would have to be filed by the 1st of December.

As the House is well aware, there is a provision in clause 19 of the Bill which gives the Government of India a certain amount of discretion in regard to the extent to which the Indian rates of taxation would be applicable to the merged States. The Government of India have a right to make modifications, exemptions, reductions and so on in order to meet special cases of hardship which might arise in any of these merged States. The Select Committee has taken the line that discretion of this kind which has been given to the Executive is a discretion which ought to be subjected to a certain limit of duration. Therefore, they have provided that this discretion would be exercisable by the Central Government only up to the 31st March, 1955.

The only other substantial change which the Select Committee has made is in clause 33 which refers to the procedure regarding voluntary settlement by the Tax Investigation Commission. In regard to that, the provision in the original Bill was that the fact that a voluntary settlement has been made would be no bar to action being taken under section 34 which gives the Income-tax department the right to open up a previous assessment. In order to make the position absolutely clear, the Select Committee has made a change of form: that is to say, a voluntary settlement would be a bar to an action under section 34 unless there is an express provision to the contrary in the voluntary settlement. It was put in exactly in the other form in the original Bill, namely, that a voluntary settlement would be no bar to action under section 34, unless there is provision to the contrary in the settlement. Now, it is a bar to an action under section 34 unless there is provision to the contrary in the settlement.

[Dr. John Matthai.]

The rest of the changes are minor changes of a routine character. Various suggestions have been made by the Select Committee, of a general character, which I need not say the Government would be prepared to take into account. The suggestions which have been made are briefly these: When a Bill is proposed in the House for the purpose of enacting into law provisions which at present exist in the form of an Ordinance, the Select Committee has made a suggestion that the Bill should cover only matters which are covered by the existing Ordinance, and that the opportunity should not be used by Government for introducing into that Bill matters which are not pertinent to the ordinance. Here, in this Bill we have made suggestion regarding the constitution of single bench appellate tribunals and for exemption from tax on income received by Scientific Research Associations which are not covered by the existing Ordinances. That suggestion of the Select Committee is one that affects not merely my Ministry, but the whole Government. It is a matter necessarily which I would have to take up for discussion with the Law Ministry. I am not therefore in a position to make any suggestion with regard to that.

There is a suggestion with regard to special depreciation allowances which we are proposing for industrial concerns which have set up new plant and machinery and new buildings. The present provision is that newly erected plant and building must have been set up after the 31st of March 1948. There is exemption of new industrial concerns from Income-tax beyond a certain limit of profit. With regard to that, the time limit is, it must have come into operation after 31st March 1949 or before 31st March 1951. What the Select Committee has done is this: There may be marginal cases; For example, a new concern might have come into operation not on the 31st March, but on a slightly earlier date. Cases of this kind will have to be dealt with by the Government in their discretion. A certain amount of discretion for the Government in that matter is necessary. The Select Committee have said that concerns which have come into operation shortly after or shortly before might be made eligible for these concessions. That is a matter which I am prepared fully to take into account. I think it is a useful suggestion.

Another important matter on which the Select Committee has made a suggestion is this: At present when advance payment is made on income-tax due by an assessee, provision is made for the payment of interest on that amount up to the date on which the final assessment is made. The Select Committee has made the suggestion that, strictly speaking, no interest should be payable on advance payment after the date on which the tax becomes legally or theoretically due. Interest becomes theoretically due from the 1st July of the assessment year when returns are filed, and interest can therefore be claimed only from the date of the advance payment to the 1st July of the assessment year and must not be paid after the 1st July. They have also made the suggestion that from that date the interest should be payable only on the amount by which the advance payment exceeds the final assessment. That also is a matter which the Government are prepared to take into account.

My hon. friend, the Chairman, and Mr. B. Das have put in suggestions in their dissenting minutes which deal with such big issues as the distribution of the divisible pool of income-tax, simplification of the income-tax law and various matters relating to the Income-tax Investigation Commission on which I do not want to commit the Government at this stage, but I give my general assurance that these matters will receive my careful consideration.

**Mr. Chairman:** Motion moved:

"That the Bill to extend certain laws relating to taxation on income to certain areas administered as parts of Governors' Provinces or as Chief Commissioners' Provinces and further to amend certain laws relating to taxation on income, as reported by the Select Committee, be taken into consideration."

*The Assembly then adjourned for Lunch till Forty Minutes Past Two of the Clock.*

*The Assembly re-assembled after Lunch at Forty Minutes past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.*

**Shri Yudhisthir Mishra (Orissa States):** Sir, although I do not like many of the provisions that have been incorporated in this Bill, I support the provisions so far as they relate to the application of the Income-tax Act and the Business Profits Tax Act to the States which have been merged or which are being administered as if they were Chief Commissioners' Provinces. In many of the States, especially in some of the Orissa States like Mayurbanj and Patna, the provisions of the Indian Income-tax Act were being followed. But many of the other States had no Income-tax Act in operation and consequently there was no revenue on account of Income-tax. According to the provisions of this Bill, the Indian Income-tax Act and the Business Profits Tax Act will be applicable to these States from the 1st day of April 1949. As far as the Orissa States, which I represent, and also the C. P. States are concerned, they were merged from the 1st day of January 1948. I do not know the reason why to those States particularly which were merged earlier, the Income-tax Act and the Business Profits Tax Act should not have been made applicable from that date.

**The Honourable Dr. John Matthai:** I may perhaps explain that these States were taken up for Central administration, the Provincial Government acting as the Agent for the Central Government. But the merger technically did not take place till the 1st of August 1949.

**Shri Yudhisthir Mishra:** Even though the Provincial Government had taken over the administration of the Income-tax Department of these States which had made the Income-tax Act applicable to them, in the other States in which this Act was not in force, no Income-tax Department was set up by the Provincial Government for realising Income-tax. Under the Bill the Central Government has been given power in the case of any hardship or for removing any difficulty to reduce, exempt, or in any way modify the Income-tax for a period of five years. I do not mind the Central Government's policy to bring the administration of Income-tax of these States in line with that of the Provinces. But what I am worried about is that the revenue on account of Income-tax and other taxes from these States will be very much lower than what it should have been had this power not been given to the Central Government. The Government of India is going to revise the share of the Provinces on account of income-tax revenue. I am doubtful whether the States which have been merged into the neighbouring Provinces will get a share proportionate to the actual revenue that would have accrued to them had these Acts been in full operation in those States on the date from which they are made applicable. I have read the minute of dissent which has been submitted by Mr. B. Das, and I fully approve of what he has said in his minute. I want an assurance from the hon. the Finance Minister that these States will not suffer by not getting their due share of the income-tax revenue.

Sir, there is another point which I want to stress before I conclude. I understand some of the former employees of the income-tax departments of these States have been absorbed but that some of them still remain unabsorbed

[Shri Yudhisthir Mishra]

In answer to my question the other day, I understood from the hon. Minister that these employees will be absorbed by the Provincial Governments and that the Central Government is going to approach the Provinces in that direction. As far as the Provincial Governments are concerned, I may say that they have already absorbed whatever number they thought necessary to absorb in the Provincial services, and I don't think there is any scope at present for further absorption of these ex-employees. Therefore, I would urge upon the Finance Minister to consider their case and make suitable arrangements so that these persons may not remain unemployed. With these words, I support the provisions of this Bill for the application of the Income-tax Act and other laws to the merged States.

**Pandit Thakur Das Bhargava (East Punjab: General):** Sir, while welcoming the provisions of this Bill, I may say there is no doubt that the Bill as it has emerged from the Select Committee is an improvement upon its counterpart. The main object of this Bill is to make the provisions of the Income-tax Act applicable to the merged States. I am very glad that an attempt is being made to bring the rest of India into line with what was previously known as "British India", in regard to income-tax matters. I am still more glad that we have provided in this Bill certain clauses which are flexible in their nature. The Finance Minister and the Income-tax Department have been given powers gradually to so accommodate the merged States so that the change may not be very badly felt by those Provinces.

There are other provisions of the Bill, to which I don't want to refer because the time at our disposal is short, but which are certainly an improvement upon the previous provisions. I wish to refer only to two or three points at this stage. In the first place, as I have submitted in my minute of dissent, I beg of the hon. Minister to so arrange the income-tax laws that we may find a compendium of all the laws of taxation in one Act. I, as a member of the Select Committee, felt some difficulty in understanding all the provisions of the Bill. This Bill seeks to amend about half a dozen other Acts and when these Acts are looked into, for instance the Finance Acts of the various years, it becomes very difficult for the Members of the House to follow the full implications of the changes sought to be made. I understand this is a difficult thing to do because compilation of all the provisions in one single Act means a labour and an expense of time and energy which perhaps the Finance Department may not be willing to put in. All the same, these provisions are so complex and intricate that we find great difficulty in following them. If that is our position, how can the public who are required to follow them, possibly understand the full implications of those provisions and follow them? Therefore, though it is a question which does not specifically arise in this connection, I make bold to make a request, on behalf of the public in this respect, to the hon. the Finance Minister that he may be pleased to look into the matter so that when he next brings his Bill relating Income-Tax he may be pleased to lay before the House a compendium of such laws.

The other matter in regard to which I have written my minute of dissent refers to the state of things existing at present in regard to evasion of income-tax. The House will remember that an Income-Tax Investigation Commission was brought into being by Mr. Liaquat Ali Khan. For one year it did not work at all, and after that we passed certain amendments which gave some life to the provisions of the Investigation Commission Act as it existed in 1946. Later we passed other amending Acts also. I don't want to go into the history of those Acts because I had enough to say at the time those Acts were passed. All the same, we are fully aware, that we gave such unprecedented powers to

the Investigation Commission which I don't think the history of any other country can afford a precedent. Still, the result has been not so great that I could congratulate the hon. the Finance Minister on the working of that Commission. So far no great progress has been made but we are asked to wait. It is said that after some time the collections will be such as will gladden the hearts of those who want to see that the tax evaders hand in the money which they owe to Government. Still, I am doubtful about it. At the time when the Income-Tax Investigation Commission (Amendment) Bill was under consideration of this House, one hon. member expressed the opinion that something like Rs. 500 crores—perhaps more—would be realised. I don't know what the amount expected is, but I for one don't think that even one-tenth of this amount will be realised. It appears that the Investigation Commission itself thinks, and those who think that it will be successful at the end think, that if you give more and more powers to the Commission then the result may be that it may yield better results. This also I doubt very much. After all, there must be some stage at which we must stop in this process of giving more and more powers to this Commission; I think we have come to the end of the tether and now we must stop. The present Bill seeks to grant such unprecedented powers to this Commission which I for one don't think we are justified in granting. The powers given previously under section 6 were more than enough; yet, this Bill seeks to give more. I do not want, at this stage, to go into the details of clause 81, because I have got amendments which I propose to move and at 3 P. m. that time it will be the proper occasion for me to suggest why those amendments should or should not be made, but in regard to the provisions of clause 82 I ask your indulgence to refer to them at this stage in some detail.

As we know full well, in the Criminal Procedure Code there is Section 887 which gives power to certain judicial courts to grant immunity to persons who are supposed to be privy to the offence or who claim to know something of the offence or who are directly or indirectly involved in the offence. In regard to that provision, one thing that is clear is that it is the court which grants the immunity. So far as the right of an investigating authority is concerned, no investigating authority can itself grant such an immunity. In this case, it is the Investigation Commission which is supposed to be armed with these powers. My humble submission is that the dissimilarity between the Investigation Commission and judicial court is so flagrant that the arming of the Investigation Commission with such powers will, it is absolutely clear, tend to produce results which nobody would like.

If you kindly see section 6 as we have already enacted, you will find that the position of the person against whom these proceedings are taken is certainly a very unfortunate one. We know that according to the procedure of the Criminal Procedure Code, an accused cannot be put on oath. All the evidence taken against him has to be brought to his face in a certain sequence and then he has to make a statement and witnesses are to be heard. But so far as this Investigation Commission is concerned, it has got the full power to examine any person against the back of the assessee, to get as much out of the assessee himself as is possible and if the assessee refuses to answer a particular question, then the investigation can be closed and he can be fined to an indefinite amount. It is, again, within the powers of this Investigation Commission to so place evidence against the accused that he may not be able to meet it at all, because the stage at which a particular witness is to be produced before the Commission rests with the Commission itself. That is not all. After all, this Commission has got the full power of settlement with the accused also. The aim of the criminal law is to punish the offender. Here, the aim is only to

[Pandit Thakur Das Bhargava.]

collect certain amount of dues from the assessee. My humble submission is that in regard to all these matters, if you allow the Commission to have the powers of granting immunity, then it would happen that the Income-Tax Officer who is appointed the 'authorised official' in regard to the Investigation Commission Act, will examine the accused and after that, he will recommend to the Investigation Officer that immunity be granted and in granting that immunity he will put such statements in the mouth of the witness as will fit in with the statement of the assessee himself, so that the safeguards which are present in the Criminal Procedure Code, namely of a certain sequence and a certain procedure which ensures that the accused cannot be prejudiced in an unfair manner, are wanting in this Investigation Commission procedure. My humble submission is: after all, what is to be gained? If you will kindly look at the provisions of Section 6 which we passed last time, you will see that even now a person who wants to make a disclosure has got very great immunity. Section 7(5) says:

"Save in cases in which the Commission may exercise its powers under Section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (V of 1898),—

(a) no suit, prosecution or other legal proceeding shall be instituted against any person in any civil or criminal Court for any evidence given or produced by him in any proceedings before the Commission, and

(b) no evidence so given or produced shall be admissible in evidence against such person in any suit, prosecution or other proceeding before such Court,

except with the previous sanction of the Central Government."

So even now these powers, which are much more than what are allowed to any court or Commission, are enjoyed by the Investigation Commission. The powers which are now sought to be conferred on the Commission are, in view of its powers already vesting, absolutely unjustified.

Then again, if you look at the section as it exists now, you will see that the Commission is authorised to grant immunity in any matters in which the witness, or, the other person to whom immunity is being granted, is involved. Such a person can be granted immunity from prosecution for offences under the Income-Tax Act, 1922, the Indian Penal Code or any other law for the time being in force, so that according to the plain reading of this provision, immunity can be granted even in respect of any other offence not related in any manner to the evidence before the Commission. If you will kindly refer to Sections 337 and 339 of the Criminal Procedure Code, it will become apparent that as a matter of fact the immunity given under Sections 337 and 339 to a witness is quite different from the immunity which is sought to be given under Clause 82. Section 339 reads thus:

"(1) Where a pardon has been tendered under Section 337 or Section 338, and the Public Prosecutor certifies that in his opinion any person who has accepted such tender has, either by wilfully concealing anything essential or by giving false evidence, not complied with the condition on which the tender was made such person may be tried for the offence in respect of which the pardon was so tendered, or for any other offence of which he appears to have been guilty in connection with the same matter."

My humble submission is that if this was confined to the actual transaction or to any matter referable to the activities of the Investigation Commission the immunity could be granted, but to make the immunity so great that a person might commit any offence under the Indian Penal Code and then he may go to the Commission and get a pardon is too much. I cannot understand how this provision can possibly be justified. To bring it in conformity with the provision of sections 337 and 339 of the Code of Criminal Procedure. I have given

notice of an amendment, but giving notice of the amendment does not certainly mean that I consider this provision to be justified. In my humble opinion, the Commission should not be armed with these powers at all, because the circumstances and conditions of the assessee and the witness under this section are absolutely different from those under Section 337 of the Criminal Procedure Code.

Then again, I think there might be conflict between the Investigation Commission and the ordinary courts of the land. A person may like to become an approver so far as the Investigation Commission is concerned, but that person may have committed dacoity or murder and the court may refuse to make him approver whereas the Investigation Commission may do so. Therefore, the immunity he gets from the Commission he may not be able to get from any court. Therefore, my humble opinion is that in such cases it will be rather difficult to justify the very wide powers which are sought to be conferred on the Commission under clause 32.

But that is not all. So far as criminal law is concerned, we know that such witnesses are looked upon as infamous persons and persons whose statements require corroboration. But here things may probably be so arranged that no corroboration may be necessary at all, because the accused can be subjected to a very searching enquiry and his statement can be taken before examining an approver. My humble opinion, therefore, is that all the reasons which exist in so far as provisions contained in Section 337 of the Criminal Procedure Code are concerned are absent in regard to matters relating to the Investigation Commission. Therefore, I do not think we are justified in giving so many powers to it. Again, the powers of the Commission are assimilated by virtue of Sections 4 and 6 of this Act into the powers of a civil court. It is the civil court that exercises such powers. We are also making the Commission just like a criminal court. I do not know what other powers remain yet to be conferred, so that this Commission becomes omnipotent.

While condemning these powers, I certainly congratulate the hon. the Finance Minister for having clause 33 of this Bill, because it is here that I find that the powers of the Investigation Commission would result in a good collection of tax for us. In relation of this clause, though it has been now modified to a certain extent, I would have liked that more powers were given and it was specified that in no case should a settlement which has been arrived at with the assessee should be capable of being re-opened in respect of matters which formed the subject of settlement.

I would rather like the hon. the Finance Minister to make it absolutely clear to the people at large that once a settlement has been made, unless there is a definite provision in the settlement itself, which can make it possible for the case to be reopened, they should not ordinarily be allowed to be reopened. We know the effects of section 34. At any rate, a person who comes to a court and wants a compromise, does not want that he should be harassed again.

We were told that out of the 93 cases referred to the Commission, 65 have been settled. I would rather have liked all the cases to have been settled. The manner in which this Investigation Commission is working is not satisfactory. What I am very much afraid of is that ultimately this very provision of clause 32 may not be brought into our ordinary income-tax law, because we have been seeing that in the first instance powers are taken for an emergency and later on these powers are incorporated into the ordinary law of the land. I for one do not think that these powers will enable the Income-tax Commission to bring very fruitful results. May I request the hon. the Finance Minister to tell us in how many cases its need has been felt. For the last three or four years they have been working without this power which shows that it is not so necessary as it is assumed to be. Moreover the ordinary safeguards which the

[Pandit 'fbakur Dae Bhargava.]

Criminal Procedure Code provides are found wanting in the case of the procedure of this Investigation Commission. The finding of the Commission is final; there is no appeal against it. Under the ordinary law an aggrieved party can always go to the High Court and obtain justice. From whatever angle the matter may be viewed, I think it is not justifiable to give these powers.

Even the position of the person to whom immunity will be extended is not satisfactory. In an ordinary case under Section 339, it is the Public Prosecutor, who is not the judge and represents both the prosecution and the Defence in theory is the person who can take away that immunity. Whereas according to the provision in the Bill the very judge, the very person who investigates, will have the power to take away that immunity and see that the person to whom immunity has been given is again brought to book. Even in regard to section 889, there is a definite provision that the prosecution can only be launched with the sanction of the High Court. But no such provision is to be found in Sections 81 and 82 of this Bill.

Similarly, if you look at Section 5(4) of the Act it lays down that it is within the discretion of the Commission to grant any copies to the assessesees. Now in a matter of this kind, though section 887 requires that a copy may be given, it appears there is no such corresponding provision. Therefore, it will still further prejudice the assessee.

For all these reasons we will not be justified in accepting Section 82 and the rest of the sections relating to immunity.

**Thakur Krishna Singh** (United Provinces States): Sir, last time when the Bill was under discussion I had pointed out my fear of certain hardships that would be created by certain provisions of this Bill. The Bill as it has emerged from the Select Committee has the same defects. Certain of these hardships have been put before the House very ably by my hon. friend Pandit Thakur Das Bhargava. I would only like to bring to the notice of the House certain difficulties that would be brought about in the case of the Merged States.

Clause 2 defines the expression "appointed day". It was stated by the hon. Finance Minister that this Bill will be operative from the "appointed day" in the case of two States, namely Banaras and Tehri Garwal and from the 1st of August 1949 in the case of the other States. I have gone through the whole of this Bill and I find that there is reference to these words "appointed day" only at two or three places. Nowhere is it mentioned that it will be operative from the "appointed day". Of course, if the hon. Finance Minister gives us an assurance that any income that accrues after the 1st of December in the case of Banaras and Tehri Garwal will only be taxable, then, of course, we will be satisfied, so far as that point is concerned.

Now, I come to clause 9. Explanation 4 which has been added to sub-section (1) of section 4 reads:

"Explanation 4.—For the purpose of sub-clause (iii) of clause (b) of sub-section (1), income, profits and gains accruing, or arising, in any of the merged States before the beginning of a previous year and after the 1st day of April, 1953, shall be deemed to be brought into, or received in, British India during such year if, and only if, they are brought into, or received in, any part of British India other than that merged State during such year.";

Now, Sir, what I have to submit is this. People of small States like ours do not keep any account books. They lived under very backward conditions. There was absolutely no trade. The Rulers did not encourage any trade and in fact they had all sorts of arbitrary taxations. Now to make a provision in this

Bill that any income that accrued after 1933, in any of the States that have merged with India, will be construed as income liable to taxation if brought into British India will be very unfair. I will give an illustration to make my point clear. If a person brings Rs. 5,000 to make certain purchases at Delhi from a merged state and these things are taken back to the State, then the Income-tax Officer may say that this amount of Rs. 5,000 that was brought from the merged state into British India was income that was derived since 1933 and he may levy a tax on it. Now, I submit that the people, especially of our State, Tehri Garwal, have not kept any accounts. They were extremely backward in education, in trade and all other matters. This provision, if it is enacted in the form in which it is at present, is bound to create considerable hardship for us.

Therefore, I would submit that in Tehri Garwal and other places of the same type, this sort of provision will create a great deal of hardship.

Another point against these provisions is that they will create obstacles to the free flow of money from the merged States to places outside, for every time a sum of money is brought from the merged State to a place outside, the Income-Tax Officer will levy a tax on it, and therefore the tendency of the people will be to keep back that money, or invest that money in the merged State itself, and to that extent, I feel, this will act as an obstacle to the free flow of money between the merged States and places outside these States.

Now I come to clause 5 of the Bill relating to giving of notice. The hon. Finance Minister explained to me just now that two months' notice will be given in the case of those States which merged on the 1st December, 1949. That means that the period of notice will expire on the 1st February, 1950. I may point out that during these days many of the mountains in Tehri Garwal are covered with snow and people do not receive their *dak* in time, and actually the *dak* takes a very long time to go from one place to another. We cannot expect the people to receive this notice in time and this will be a real hardship. The people will know nothing about it, because the people in Tehri Garwal will not get the notice in some of the places in four months time even.

**Shri B. L. Sandhi** (East Punjab: General): The time given is after receipt of the notice. Otherwise it is no notice.

**Thakur Krishna Singh:** Another amendment that has made in the original Bill by the Select Committee is in clause 19. In Section 60A of the Income-Tax Act, power is given to the executive under the original Bill to make certain exemptions, if the executive finds that there is any hardship or any difficulty created by the application of this Bill to the merged States. Now I find that this power of exemption has been restricted to a period of five years duration. I do not think these States will ever be able to reach the same level as the other districts in the Indian Union in so short a time as five years. We will have to give concessions to the people of these backward areas for a long period and restricting the period to five years will not be advantageous to them. So in my opinion, a greater discretion should be given to the executive in such matters, because after all, the executive will understand our difficulties and realise what is necessary for our wellbeing, and if it finds that the people of these backward areas cannot progress well if these taxes are levied on them, and if the executive thinks that it is desirable that they should pay less tax for a greater number of years, then that discretion to prolong the period should be given to Executive.

**Shri Mahavir Tyagi** (U. P. General): How many years does the hon. Member want?

**Thakur Krishna Singh:** The period should be as in the original Bill.

**The Honourable Dr. John Matthai:** With regard to the points raised by the hon. Member from Tehri-Garhwal, in the first place, I do not believe, although the State that he represents has difficulties in this matter, I do not believe the difficulties are quite so formidable as he is inclined to make out. But whatever difficulties there are, I can assure the hon. Member that in the application of this Act to merged States, especially to States like Tehri-Garhwal, I am prepared to give the assurance that I will give every consideration to the special difficulties to which States like the Tehri-Garhwal are exposed in this matter.

He is perfectly right in his assumption that the only part of the income during the current year that would become liable to taxation by Indian rates is income accruing since the appointed day, as defined with reference to the State. That, I think, covers practically all the points which my hon. friend has raised.

Notice of an amendment has also been given by an hon. Member in respect of Bhopal. He wants Bhopal to be left out altogether. That, of course, is an amendment which it is quite impossible for me to accept; but I would like that hon. Member to accept my assurance that I should be prepared to go carefully into any circumstances with regard to Bhopal that he may bring to my notice in regard to the application of this Act.

Pandit Thakur Das Bhargava has raised some very fundamental points. All these points, I think, he discussed very ably at the meetings of the Select Committee, and the Report of the Select Committee will show that although they gave a great deal of attention to the points that he raised, they did not think it necessary to incorporate in their report any of the specific suggestions that he had made. He has raised various questions with regard to the Taxation Investigation Commission. I have no doubt, the hon. Member will have an opportunity of raising these general problems during the budget discussion, because obviously matters relating to the administration of income-tax are matters which would necessarily come before the House for consideration then. I should probably have a few things to say then with reference to matters that he has raised. But in regard to a Bill of this kind, I would request the hon. Member not to press these points. I am prepared to say this, that while I am aware that provisions of this kind might result in undue harassment, the House may rest assured that these provisions will be employed only to the extent that prompt collection of legitimate payments due to the State warrant. The House realises that the people who compose this commission are people who have filled very responsible judicial positions occupying seats in the highest courts in the country, and I think for the time being, I would ask the House to be satisfied that they could be trusted to employ these provisions with due regard to justice and fair dealing.

Pandit Thakur Das Bhargava raised the question of the immunity granted to informers under this Bill. He said that the immunity might be extended practically without regard to relevancy or relation, to cases of evasion. Here again, I would suggest that it is not likely that an investigating body of this kind composed of people with great judicial experience would ever employ this provision in the manner he has suggested. In fact I am in a position to give him a definite assurance that there would be no abuse of the kind to which he has referred. I endorse the hope that he has expressed that the arrangements that we have made in respect of voluntary settlements would be more widely utilised than they have been so far.

He raised another important issue, namely, the codification and simplification of the Income-Tax Law. I have a great deal of sympathy with him, because as a layman, I find it very difficult to pick my way through the enormous jungle of legal provisions relating to our income-tax practice and administration. I think it is important that we should make an effort to reduce our

income-tax law to a more lucid and intelligible form. But then the difficulty with regard to the simplification of the law on these points is that you soon reach a stage where you cannot attempt simplification and at the same time properly secure the ends of justice. This is an inherent difficulty. You cannot carry the process of simplification beyond a certain limit. But subject to that consideration, I am prepared to consider this matter in connection with any Bill that we may bring forward hereafter for a comprehensive modification of our Income-tax law.

My hon. friend from Orissa raised the question of the position of employees of States who are concerned with Income-tax administration. All that I can say about it at this stage is that if there are people who are not employed by the Central Government and at the same time, who are not absorbed by the Provincial Governments, then their position would be considered by Government in order to see whether something cannot be done in order to help them. I am still hoping it would be possible for Provincial Governments to absorb those employees of these States who have not been taken over by the Central Government, but if a situation arises of the kind that he apprehends, I am prepared to see if anything can be done.

Then he raised the question of the distribution of income-tax to merged States. That question does not really arise. The form in which that question would arise is that in any arrangement which may be made hereafter for the distribution of the divisible pool of income-tax, Provinces in which the States have been merged would require re-examination from that point of view. As the House knows Mr. Deshmukh has been appointed by Government to arbitrate on that issue, and I do not want to make any suggestion at this stage as to what kind of considerations he may take into account; but the award that he would give would be a provisional award and the matter would have to be permanently settled by the Finance Commission which would be set up under the new Constitution. It is my personal idea, which I propose to put before my colleagues in the Cabinet, that in view of these very important issues which have now been thrown up in regard to questions of taxation as between the Centre and the Provinces and States, I would recommend to my colleagues in the Cabinet that the Finance Commission provided in the new Constitution should be set up at a very early date.

I think he also raised the question of income accruing before the appointed day in respect of Orissa States. The position is exactly the same. The Orissa States merged on the 1st of August and any income accruing before the 1st August 1949 would not be assessable to taxation at Indian tax rates. That is all I have to say at this stage.

**Mr. Speaker:** The question is:

"That the Bill to extend certain laws relating to taxation on income to certain areas administered as parts of Governors' Provinces or as Chief Commissioners' Provinces and further to amend certain laws relating to taxation on income, as reported by the Select Committee, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** There are amendments to clause 2 standing in the name of Thakur Lal Singh. Does he propose to move any of his amendments?

ठाकुर लालसिंह : श्री अध्यक्ष महोदय, मैं फाइनेंस मिनिस्टर का कृतज्ञ हूँ कि उन्होंने पहली आवाज के साथ भोराल का नाम भी शामिल कर लिया और यह एश्योरेन्स (assurance) दे दी कि इस बिल को इनडिस्ट्रिमिनेटली (indiscriminately) एप्लाइ (apply) नहीं किया जायगा। बल्कि इस

[शुकर लालसिंह]

बात, पर ध्यान दिया जायगा कि कितना टैक्स लगाया जाय और कब से लगाया जाय। यह वहां से रिप्रेजेंटेशन होने पर और वहां की स्थिति के अनुसार किया जायगा। यह इस लिये भी जरूरी था कि भोपाल की हालत टेहरी गढ़वाल से किसी तरह अच्छी नहीं है। वह बहुत बैकवर्ड प्राविंस है और एजुकेशन तो वहाँ बहुत ही पीछे है और वहां की रिवाया इतनी गरीब है कि शायद टेहरी गढ़वाल से भी ज्यादा गरीब हो। इस पर भी उसको कस्टम्स देना पड़ता है और वह कस्टम्स भी हर साल बहुत बढ़ता रहा है। सन् १९३९-४० में वहां कस्टम्स का ७ लाख ६६ हजार देना पड़ता था। आज सन् १९४७-४८ में वह २५ लाख से ज्यादा हो गया। इसी तरह से इनकम टैक्स वहां सन् १९३८-३९ में शुरू हुआ और अब वह भी एक बहुत बड़ी हद तक पहुंच गया है। तो इस टैक्स के लगने से अगर यह इन्डिस्ट्रियल नेटली वहां लग जाता तो यह मुसीबत वहां वालों पर आ जाती। कस्टम्स तो वहां है ही, वह तो अलग देना ही पड़ता है और यह इन्कीज्ड टैक्स भी देना होता। इस लिये मुझे इतमीनान है और मैं इस प्वाइंट को प्रेस नहीं करूंगा। मुझे तो सिर्फ अपनी अमेण्ड-मेंट्स के बारे में यही कहना है कि अपाइंटेड डे फर्स्ट डे आफ अगस्त भोपाल के लिये मुकदर किया गया है तो भोपाल पहली जून को मर्ज हुआ और इस तारीख से हमारे यहां नोटिस देने शुरू हुये। हमारे यहां पहले अभी तक महाजनी तरीके से हिसाब रखते थे और अंग्रेजी तरीका बिल्कुल इस्तेमाल नहीं होता था। वहां जो इनकम टैक्स लिया जाता था तो वह इनकम टैक्स अफसर उसी को जायज समझ लेते थे। तो अब नये कायदे से उनको, जैसा अभी मालूम हुआ, हिसाब रखना पड़ेगा और डबल एण्ट्री सिस्टम बगैरह अमल में लाया जायगा। तो इस षोर्टे से अरसे में, दो महीने में, वह यह सब तरीके काम में नहीं ला सकते। इस लिये मेरी यह प्रार्थना थी कि उनके लिये टाइम लिमिट बढ़ा दी जाय और पहली अगस्त के बजाय पहली दिसम्बर टाइम लिमिट कर दी जाय। इससे वह अपने हिसाब ज्यादा अच्छी तरह तैयार कर सकेंगे। वरना अभी तक तो यह हुआ है कि बहुतों के पास नोटिस पहुंच गये लेकिन वह अंग्रेजी पढ़े लिखे नहीं हैं और समझते नहीं हैं। इस लिये शायद वह लिमिट भी खत्म हो जायगी और अपना रिप्रेजेंटेशन भी न कर सकेंगे। तो मेरा निवेदन वह था कि अपाइंटेड डे पहली अगस्त के बजाय, जैसा कि टेहरी गढ़वाल में है, पहली दिसम्बर भोपाल के लिये भी मुकदर किया जाय। बस, यही मेरी प्रार्थना है।

(English translation of the above speech)

**Thaker Lal Singh (Bhopal State):** Sir, I am indebted to the hon. Finance Minister that he has included the name of Bhopal at the very first request made in that behalf and given the assurance that this Bill would not be applied indiscriminately, but that it would be considered how much tax is to be levied

and from what date and also that this would be done on a representation being received from there and in accordance with the local conditions. This was necessary also for the reason that the conditions in Bhopal are in no way better than those prevailing in Tehri Garhwal. It is an extremely backward Province, especially in the field of education, and the people there are probably poorer than even those of Tehri Garhwal. In spite of all that they have to pay the customs duty, the amount of which too has been rising a great deal from year to year. In 1939-40 Rupees seven lakhs and 66 thousand (Rs. 7,66,000) had to be paid towards the customs. In 1947-48 it exceeded 25 lakhs of rupees. Similarly, the income-tax started being levied there in 1938-39 and that too has attained great proportions by now. Thus, if the tax now proposed had been levied on the people there indiscriminately it would have meant another calamity for them. The customs duty is already levied there which has to be paid separately; this other tax would have been an additional burden. Hence, I am satisfied and would not press this point. All that I have to say with regard to my amendments is about the appointed day. The first day of August has been fixed as the appointed day in the case of Bhopal. Now, Bhopal came to be merged with effect from the first June and it was from that date that the notices started being issued over there. Accounts have erstwhile been kept on our side according to the *Mahajani* (indigenous) system and the English system of book-keeping had never been used. For the purposes of the income-tax levied there previously this accounting system was regarded as valid by the previous income-tax officers. Henceforth, as we have just learnt, they would have to maintain accounts in accordance with the new mode and the double entry system, etc., would have to be adopted. Now, in such a short period of two months they cannot be expected to put all those methods into practice. Hence, I would request that the time-limit should be extended in their case and instead of the first August it should be changed to the first December. This would enable them to prepare their accounts more efficiently. As things stand at present, most of them have received the notices but since they do not know English they do not understand them. The result would be that the limit might expire and they might not even be able to file their representation. Hence, I submit that the appointed day may be changed from the first August to the first December in the case of Bhopal in the same way as already done in the case of Tehri Garhwal. That is the only request I wish to make.

**Mr. Speaker:** I have got the amendments here in the Order Paper. Has the hon. Finance Minister followed what he has said? He wants to extend the time limit from the 1st of August to 1st of December.

**The Honourable Dr. John Matthai:** It is not possible for me to accept any suggestions of that kind, because there are very many merged States in the same position as Bhopal and if I make a departure from the principle laid down here, it would be necessary for me to consider making a departure in many cases; but if there are any special difficulties with which Bhopal is faced in regard to this matter, I have powers under clause 19 of this Bill to take that into account and make any adjustments which may be required.

**Mr. Speaker:** अब क्या आप अपना प्रस्ताव हाउस के सामने रखना चाहते हैं ?

(Now, do you want to move your amendment?)

**Thakar Lal Singh:** I do not.

**Mr. Speaker:** The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clauses 3 to 17 were added to the Bill.*

**Shri C. Subramaniam** (Madras: General): I would like to know whether the hon. Minister is prepared to accept my amendment to clause 18.

**The Honourable Dr. John Matthai**: Sir, this question was very fully discussed by the Select Committee and their reasons for not considering this suggestion are set out fully in their report, under clause 18 (2). The fact of the matter is that this kind of exchange of information between the Centre and the provincial Governments is something which will greatly help the collection of public dues. Of course, this particular provision deals with the Central Government giving information to provincial authorities charged with the collection of taxes. I may inform the House that the provincial Governments, several of them, are at present considering this and some of them have already decided to reciprocate the treatment that we accord to them. Personally, I think it is very much in the public interest that there should be full facilities for exchange of information of this kind between the Centre and the provincial Governments. It is for this reason that the Select Committee decided not to accept a proposal of this kind.

**Shri C. Subramaniam**: I do not move my amendment.

**Mr. Speaker**: The question is:

"That clause 18 stand part of the Bill."

*The motion was adopted.*

*Clause 18 was added to the Bill.*

*Clauses 19 to 30 were added to the Bill.*

**Pandit Thakur Das Bhargava**: In my amendments to clause 81, I would like to move the first two with your permission if I find from the hon. Finance Minister that he is agreeable to accept them.

**The Honourable Dr. John Matthai**: I regret I cannot accept these amendments.

**Pandit Thakur Das Bhargava**: Then, I do not move them.

I beg to move:

"That in part (iv) of clause 31 of the Bill, in the proposed subsection (7) of section 6 of the Investigation Commission Act, 1947, the words 'useful for, or', occurring in lines 3 and 4 be omitted."

My reasons for this amendment are briefly these. The words used are "useful for, or relevant to". The words "relevant to" include useful and what is considered not useful. The word "relevant" connotes a state of things in which usefulness does not enter. What is useful is covered by the word 'relevant'. Anything that is useful in whatever manner is covered by the word 'relevant'. It also covers those things which are not useful to the Commission, but useful to the assessee. So that, when the word 'relevant' is there, it covers both useful and not useful things. My humble submission is, there is no point in having the words 'useful for'. These words are not used in any other law. The word 'relevant' is quite sufficient.

**The Honourable Dr. John Matthai**: In the remarks which the hon. Member made a little earlier, he expressed his view that the Income-tax Commission has been slow in carrying out its work. It is very important that a special Commission of this kind should be in a position to complete its work as quickly as possible. If I accepted Pandit Thakur Das Bhargava's amendment, it would come to this, that it is only where any information or document is

relevant that the Commission would have power to call for that. "Relevant" is a legal term with a very definite legal connotation. If the Commission asked for any information or books of account or document from some party, that party would be in possession of a difficult kind of interpretation which has sometimes been put upon the word 'relevant' to make it impossible for the Commission to get the information that it wants. It creates legal difficulties from the start. Therefore, if you want this Commission to do its work as quickly as possible, it is necessary that there must be some latitude of this kind.

**Mr. Speaker:** Does the hon. Member press the amendment?

**Pandit Thakur Das Bhargava:** No, Sir. The next amendment I would like to move is number 6. I am not moving amendments 4 and 5. The wording in the clause is "if specially authorised in this behalf by the Commission to enter any building or place where he has reason to believe that any such books of account or documents may be found." My humble submission is that the law has not given the power in the first instance, to the authorised official enter any building or place. The special authority in this behalf is authorised by the Commission and also the requirement that the authorised official shall have reason to believe that such books of account may be found, may be that of the Commission and not of the authorised official. When the power of entry, etc., is not originally given, and if it is now given in this respect and his reason to believe is considered sufficient, practically, the power which has been taken away from him is indirectly given to him. Both these things are so integrated with each other, that this special authority to enter a place, and at the same time, the reason to believe where such a thing will be found are as a matter of fact parts of the same transaction. Therefore, my humble submission is that it is necessary to limit the powers of the authorised official. If the Commission authorised a search as well as conferred the power to enter any building if the Commission had reason to believe that books of account etc., may be found, then, in any particular place the Commission may allow the authorised official to exercise the powers.

**The Honourable Dr. John Matthai:** Sir, the same consideration applies here. The official who would be authorised in this behalf by the Commission would be an official of considerable standing and experience who may be expected to exercise his judgment reasonably in this matter. If his judgment is to be restricted by previous instructions issued to him by the Commission, then when he makes a search on the spot, he may come across documents and books of account which are relevant to his job, but which he would not be able to take hold of because of previous instructions of the Commission. It is obviously necessary that the person who is authorised to make a search of this kind should have powers to exercise in his discretion on the spot with reference to such documents and books as he comes across.

**Mr. Speaker:** Does the hon. Member press his amendment?

**Pandit Thakur Das Bhargava:** No, Sir. I want to move another amendment. Sir, I beg to move:

"That in part (v) of clause 31 of the Bill, in part (iv) of the proposed subsection (9) of section 6 of the Investigation Commission Act, 1947, the word 'valuable' be omitted."

In regard to this amendment, you will be pleased to see that the wording in the clause is:

"in the course of any search under this section, to make a note or inventory of any other valuable article or thing found in the course of such search which in his opinion may be found useful for or relevant to the disposal of any case."

Three things must be there: the thing must be valuable; the thing must be useful; the thing must be relevant. My submission is that in regard to

[Pundit Thakur Das Bhargava]

things or articles which are relevant, in order that they may be taken note of or an inventory prepared, they need not be valuable. You may say valuable in regard to appreciation of evidence. Here, the word 'valuable' means value in money. My submission is, there is no point in making a distinction between valuable and non-valuable articles. The article may be useful or relevant to disposal of the case. This word 'valuable' does not enlarge the powers which my friend seeks to give to the Commission. If all the powers are to be given, why should this word 'valuable' qualify the powers which they enjoy. In the interests of better administration of this Commission, I submit, the word 'valuable' should be taken away.

**The Honourable Dr. John Matthai:** This word was not in the original Bill. It was put in by the Select Committee. I am prepared to admit that I was not impressed with the reasons for which the Select Committee thought it necessary to introduce this word 'valuable'. I am inclined to agree with Pandit Thakur Das Bhargava that it does not serve the purpose. I accept Committee?

**Shri Mahavir Tyagi:** What about the other members of the Select Committee?

**Mr. Speaker:** Order, order. It is not a question now. Perhaps the removal of the word 'valuable' may cast a greater burden on the officer making the search. He will have to make an inventory of all the articles valuable and otherwise.

The question is:

"That in part (v) of clause 31 of the Bill, in part (iv) of the proposed sub-section (9) of section 6 of the Investigation Commission Act, 1947, the word 'valuable' be omitted."

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 31, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 31, as amended, was added to the Bill.*

**Pandit Thakur Das Bhargava:** I have already given the reasons fully and I do not want to repeat them. But there is one reason I missed to mention then and I will mention it now. In regard to these approvers, there is a specific provision that they shall not remain with the police so that the police may not be able to put into their minds certain facts which the police may like them to make out before the court. He will remain in the judicial lock-up and in the jail also his place of imprisonment is quite different, so that the accused may not be able to meet him. Here in this case the person to whom this immunity will be granted will not be in the judicial lock-up and thus he will have a chance of blackmailing the assessee every time, or he may injure the case against the assessee if he conspires with the assessee, and therefore any tribunal will think twice before using this provision. Therefore my submission is that this power should not be given.

**The Honourable Dr. John Matthai:** All that I can say is that, if you want people to come forward with information, then it is necessary that they should be granted immunity, and the terms under which the immunity should be given were a matter which were carefully considered by the Select Committee and it was after full deliberation that this particular clause was accepted. I

am prepared to convey to the Commission the apprehension expressed by Pandit Thakur Das Bhargava in this matter and I am perfectly certain that the way in which they will administer this provision will not lead to the abuses which he fears.

**Pandit Thakur Das Bhargava:** I do not press my first amendment to clause 32, but the next two, with your permission, I will move. These are matters of substance. Sir, I beg to move:

"That in clause 32 of the Bill, in sub-section (1) of the proposed new section 6A of the Investigation Commission Act, 1947, after the word 'offence' occurring in line 6, the words 'relating to or committed in connection with such evasion of payment of taxation on income' be inserted."

My submission is, Sir, that the provision, as it stands, is extremely wide. The words are:

"privity to the evasion of payment of taxation on income in such case and after recording its reasons for so doing, tender to such person immunity from prosecution for any offence under the Indian Income-Tax Act, 1922, the Indian Penal Code or any other law for the time being in force, and also from the imposition of any penalty under the Indian Income-tax Act, 1922."

Now, Sir, 'any offence under the Indian Income-Tax Act' are very wide. It may include any transaction which has no relation with the evasion of payment of income-tax in question. Any offence under the Indian Penal Code may include forgery or any other offence which has nothing to do with the particular evasion in question.

**Mr. Speaker:** The context of the whole section would restrict the interpretation of the word "any" to an offence which has some relation to the investigation.

**Pandit Thakur Das Bhargava:** This should not be so wide. It must be confined to cases as under section 339. As it is, immunity can be given in respect of any offence which has absolutely nothing to do with evasion of income-tax.

**Mr. Speaker:** Perhaps I was not clear. He has understood me just the other way. I was saying that the word "any" will not mean any offence under the Indian Penal Code or the Income-Tax Act but will refer only to such offences as have got any connection with the case the Commission is investigating. The particular context in this case will show that the meaning is restricted.

**The Honourable Dr. John Matthai:** I respectfully agree with you, Sir.

**Pandit Thakur Das Bhargava:** My own reading of this clause is that it is too wide and may relate to offences which have absolutely no connection with the offence of evasion under investigation. If you are satisfied, Sir, and if the Minister is satisfied, I have nothing more to say.

**Mr. Speaker:** It is not a question of my satisfaction at all. It is only a question of the satisfaction of the hon. Member and the hon. Minister.

**Pandit Thakur Das Bhargava:** If it means that it will cover only such offences as have some connection with the offence under investigation, it is all right. If it does not mean that, my submission is that it is too wide.

**Shri Prabhu Dayal Bhattacharya (West Bengal: General):** The words "concerned in or privity to the evasion of payment of taxation on income in such case" will clearly indicate that the offence for which the pardon was being given was connected with the particular offence of evasion.

**Mr. Speaker:** The context clearly shows so. I think the position is quite clear and this does not admit of any further discussion. The question is:

"That in clause 32 of the Bill, in sub-section (1) of the proposed new section 6A of the Investigation Commission Act, 1947, after the word 'offence', occurring in line 6, the words 'relating to or committed in connection with such evasion of payment of taxation on income' be inserted."

*The motion was negatived.*

**Mr. Speaker:** The same argument applies so far as the next amendment is concerned.

The question is:

"That clause 32 stand part of the Bill."

The motion was adopted.

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Clause 32 was added to the Bill.

Clauses 33 and 34 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**The Honourable Dr. John Matthai:** I move:

"That the Bill, as amended, be passed."

**Mr. Speaker:** The question is:

"That the Bill, as amended, be passed."

**Sri Vinayakrao B. Vaidya rose—**

**Mr. Speaker:** I wish the hon. Member had got up earlier. Either he was not quick enough or I was slack enough not to have noticed him. As it is, I have already put the motion before the House.

The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen)]

## CENTRAL RESERVE POLICE FORCE BILL

**The Honourable Sardar Vallabhbhai Patel** (Minister of Home Affairs and the States): Sir, I beg to move:

"That the Bill to provide for the constitution and regulation of an armed Central Reserve Police Force be taken into consideration."

Under the old dispensation, the functions of the Crown in relation to Indian States were vested in the Crown Representative. Hon. Members are aware that, at that stage, there was a definite policy that the Indian States should be kept in a water-tight compartment directly under the Crown Representative. As part of this policy and with a view to keep the protection to be afforded to the Rulers of Indian States free from any political embarrassments in the Provinces, the Crown Representative, contrary to the previous practice of calling for aid from neighbouring Provinces, decided to have a self-contained force which could be used in Indian States in support of the Rulers' authority. The Force had its headquarters at Neemuch, but its detachments served in various States or Agencies, partly as permanent branches of the main force and partly on temporary duties. The force was embodied under the Crown Representative's Police Law of 1930, and the personnel of the Force were protected from the laws of the State in which they were on duty for any of their acts committed under the authority of the law. The Crown Representative's Police Law was made under the Indian (Foreign Jurisdiction) Order 1937. The administrative functions in respect of this force were discharged by the Police Adviser to the Resident for Rajputana States.

As part of the political settlement of transfer of power the force passed on to the Central Control, and since then it has been used by us in various States whenever demands of law and order justified its use. This force, with further augmentation partly to make up the depletion on account of partition and partly to meet the growing demands from the States and Unions, has performed most useful functions and has been a very good reserve force which has been sent from time to time in aid of local forces. In Junagadh, on the borders of Jaisalmer, in Mayurbhanj, in Saurashtra and elsewhere, it has been a stabilising influence whenever any threat to security has manifested itself.

At the same time, however, the law under which it used to function before ceased to have effect from the 15th August 1947, because under Section 7(i)(b) of the Indian Independence Act, 1947, all laws under the Foreign Jurisdiction Order, 1947, automatically lapsed. This lacuna was noticed only recently. At first, we thought we could cover this lacuna by resort to Extra-Provincial Jurisdiction Act, 1947, but then it occurred to us that the force might be used in areas where the Extra-Provincial Jurisdiction Act, 1947, does not give us any jurisdiction. For instance, the headquarters of the force is at Neemuch, which is in Madhya Bharat, where no such jurisdiction exists. Further, the force is primarily intended to be used in aid of the civil power in States proper, no less than in the "merged" States. We, therefore, decided that the most appropriate course was to have Central legislation. The sanctioned strength of the force is 1,746. Although its headquarters are at Neemuch, its detachments are functioning in various places in Rajasthan, the Vindhya Pradesh, Madhya Bharat, Cutch, Saurashtra, Bhopal and Mount Abu. It is commanded by an officer of the Indian Army.

The Bill before the House follows generally the pattern of the Crown Representative's Police Law. It makes provision for the constitution of the force, appointment of the officers, general duties of the members of the force, its administration and certain liabilities and penalties for the members of the force. Since the force has been functioning ever since the 15th August 1947, we are seeking to give the Bill retrospective effect.

Hon. Members might ask why we cannot use the forces of the neighbouring Provinces in such emergencies. In the first place, the Provinces have not taken into account the needs of the neighbouring States in deciding upon the composition of their forces. Nevertheless, we have, wherever we have found that the Police force is surplus, made use of Provincial resources. As an instance, I might point out that we have found the United Provinces Armed Constabulary most helpful and useful in the States of Hyderabad, in Rajasthan and even in Delhi. But to cover such a large area, we must have a self-contained force which should be at our disposal to be sent to areas where we need it with the least possible delay. Secondly, we have told the Provinces that they should, as far as possible, be self-sufficient in their requirements for internal security. The Police forces in the Unions and States are in the process of formation. We shall still require considerable time before they function in anything like the manner in which Provincial Police forces have been functioning. We must, therefore, have a force for the interim period, and having regard to the state in which the Police forces of the Unions and States are at present, I am afraid that interim period is going to be a pretty long one. Thirdly, a process of re-organisation of the State forces is also on and during this process of re-organisation it would be most useful to have a force which would take the first shock of any threat to security. For all these reasons, it is quite clear to my mind that a Central Reserve Police force is essential and it therefore goes without saying that we must have an enactment under which this force can be recruited and officered and can function as a disciplined force.

Sir, I move ~~that~~ the Bill be taken into consideration.

**Mr. Chairman:** Motion moved:

"That the Bill to provide for the constitution and regulation of an armed Central Reserve Police Force, be taken into consideration."

**Shri Mahavir Tyagi** (U. P.: General): Sir, I support the Bill which has been moved by the hon. Deputy Prime Minister. But one or two things I would like him to be pleased to throw light upon. I do not know if the Rules of the Force which already exist will continue even after the passing of this Bill. In clause 5 of the Bill which deals with enrolment, it is mentioned that "before a person is appointed to be a member of the Force, the statement contained in the recruiting roll set out in the Schedule shall be read out and, if necessary, explained to him..." So a member joining the Force is only required to specify his willingness and affix his signature to the statement in the recruiting roll set out in the Schedule—that is, a sort of agreement whereby he gives his consent to abide by the Rules and the discipline of the Force. But there is no mention anywhere in this Bill about the age-limit of the person—between what ages recruits will be taken or whether they will have to undergo any medical examination or not.

**Pandit Balkrishna Sharma** (U. P.: General): That is not necessary!

**Shri Mahavir Tyagi:** Then it would be a Force of sick people like you. Sir, this will be a good Force, especially when it is being organised under the Ministry of hon. Sardar Vallabhbhai Patel, and many of us who have been in his "Force" for the last thirty years will envy this Force taking our place.

There is another point. I am raising these points just to extract from Sardar Saheb more light upon issues which I think are of importance. The Force is stationed at Neemuch. Neemuch is a far off place. I wonder if, after the integration of all these States which the hon. Deputy Prime Minister has so ably achieved, it will be necessary to keep the forces at Neemuch. Would it not be proper to call the forces up here at Delhi? I want to ask: will these forces also be in a position to be employed in the Provinces or will their activities remain limited to Centrally-administered areas or to the States alone? There might be local disturbances in some Province, or, in the future set-up of things where a Provincial Government might not see eye to eye with the Central Government and might differ on some policy, or if there are communal, economic or social disturbances, the Central Government might just think it proper to throw in its own force in order to bring peace. So, may I know if this force can also be utilised in bringing order in the Provinces as well? Personally, I would like the force to be used everywhere in India. Clause 1 of the Bill says that the Bill extends to the whole of India. So, I believe the force can be used in the whole of India, wherever the situation demands such use.

Sir, I hope this force will develop and will be a great strength in the hands of the Central Government to enforce its own policy on all parts of India (*Some hon. Members:* What policy?). Yes, the Central policy must be enforced, and nothing can be enforced without a force. In that connection, I want to ask whether recruitment will be open to persons who have not been in the police so far. Sir, when I referred to the Central policy, a few friends laughed at it. There are policies of control and de-control and policies as regards bribery and corruption. I hope this force can be used to suppress these evils also in the Provinces. Also, there may be Provinces where even the Provincial Government may not be as good as the Centre would require it to be, and sometimes action may have to be taken even against such a Provincial Government. I hope this force will be employed to meet all these eventualities.

Sir, with these words, I support the Bill.

**Shri Sita Ram S. Jajoo** (Madhya Bharat): Sir, while welcoming this measure, I would like to make a few observations. I would not have spoken anything but I was provoked by my friend, Mr. Tyagi. Sir, I come from Neemuch and I have known this Police Force since its establishment there. Before the retrocession of Neemuch Cantonment to the then Gwalior Government, it used to be governed by the representative of the Political Department, that is the Crown Representative's Department, in Central India Agency. As hon. Sardar Patel said, this Police Force was being controlled by the then Resident in Rajputana. There was an anomaly there. Before the formation of Madhya Bharat, for administrative purposes Neemuch was in Central India Agency. And the C. R. P. Force was controlled by the Resident at Mount Abu and as such there were certain difficulties so far as the administration was concerned.

Now as regards the situation at Neemuch, I would like to say a few words. My friend, Mr. Tyagi, stated that it would be better and in the fitness of things under the new set up, that this force is shifted from Neemuch to Delhi or somewhere else. Perhaps he does not know the situation of the place. Neemuch used to be a Cantonment and there are military barracks there worth some one or two crores of rupees, which are the property of the Government of India and they are being fully utilised by this force; otherwise they will remain vacant.

Sir, this force was established at Neemuch with a particular aim. In those days, after the introduction of the Provincial autonomy in 1937, the then British Government thought that under the Provincial Congress Ministries, the Provincial Police may perhaps not be sent to the neighbouring States for their help. So, they created a force and called it the Crown Representative's Police Force, and kept it, for the same reason, in the Centrally-administered area of Neemuch under the Political Department of Government of India. Now it is a very well-developed, modern, semi-mechanised force. It is neither an ordinary police force nor a military one but something in between these two. They have got up-to-date equipments including tear-gas, and have first-class radio transmitters and receivers. Most of its officers and recruits are ex-army personnel and it has always been commanded by a military officer. Before independence and for about six months after that, there used to be a British officer, commanding the C. R. P. An Indian officer has now taken up that post. Formerly, apart from the Commanding-officer, some of the Company Commandants and particularly the Second-in-Command used to be British officers.

After the withdrawal of these officers, discipline has slackened a little. Sir, you may say that we cannot help it. That may be so, but recently in some of the promotions, very ordinary people who used to be head constables or Sub-Inspectors, who cannot understand English or whose literacy cannot be said to be high, have been promoted as Company Commanders. I would request the hon. Deputy Prime Minister to look into these things and see whether these promotions have been justly made. There may be an excuse that on account of lack of personnel you could not help promoting them. I do not grudge them their promotions, but at the same time, I want that efficiency and discipline should not be marred. I know the C. R. P. battalions have done wonderful work in most of the States, particularly in Junagadh and in the States on the Pakistan borders as for example on the Jaisalmer and Bikaner borders of Pakistan. They had to fight with Pakistan forces on several occasions and have acquitted themselves in a manner which anybody can be proud of. (*An honourable Member*: Then why are you complaining?). I am not complaining about them, I only say some slackness has set in. So far as the command of the force is concerned, I feel it is very well organised. As regards the force as a whole, I would say that it should be strengthened. Last time it was

[Shri Sita Ram S. Jajoo]

decided in the Standing Advisory Committee of the States Ministry that this force must be strengthened. Sir, I too consider that the strength of this force should be increased. After all this integration of States, there should be no water-tight compartments between the States and the Provinces of the Republic and, as my friend Mr. Tyagi suggested, in case of necessity these soldiers may be utilised in the Provinces as well. After all, henceforward the Provinces also will be called States.

Sir, I have a concrete suggestion to make. We find that in the Indian States Unions there are difficulties as regards police forces. I do not know if this suggestion of mine will be acceptable to the hon. Deputy Prime Minister, but may I suggest that you can utilise this Central Reserve Police for the purpose of having a very good police college at Neemuch where people can be trained for recruitment to the various States Unions and States' police forces? Only with a little expenditure, you can train people there who will be better police officers on account of the greater training imparted to them. You may say that I am suggesting an integration of the police forces of various States. But you are going to have an all-India police service in which the States also will be taking part. Some time will be taken before that all-India scheme can be accomplished and, for the intervening period, therefore, I suggest that this idea of a police college may be considered. So far as the Indian States Unions are concerned, most of their police officers were promoted or appointed at the whim and fancies of the then Rulers of those States. We had to take on that unfortunate legacy and continue those officers, and because of this there are many places in Indian States Unions where we see lawlessness going on. At the same time, we are conscious of the fact that under the able guidance and control of the Deputy Prime Minister the whole thing is being set right. But I would request him that if the Central Reserve Police at Neemuch can be used for training people for the Indian States Unions, this opportunity must be availed of. I am confident that he will certainly look into the whole matter. I also know that he will act in the best interests of the people. But if larger number of personnel of the States Unions Forces as well as the personnel of the Central Reserve Police Force are trained, they can be utilised at the time of lawlessness or disorder in the provinces as well. With these few words, I wholeheartedly support this Bill and I wish that it is passed and given effect to immediately.

**Shri C. Subramaniam (Madras: General):** Sir, I feel that certain difficulties are likely to arise in the operation of these Forces in areas other than Centrally Administered Areas. Under the Independence Act and also under the new Constitution, law and order is a provincial subject. As long as the States remained outside India, they were like foreign States and were not governed by the Government of India Act or the Independence Act. Therefore, if the Police Forces are sent from one part of the country to another which is a State, other considerations would arise. This is a Centrally Administered Force and in order to keep law and order. I want to know if it can be sent to any province as the Centre likes or it can be sent only at the request of the Provinces or States concerned. If it is only at the request of the Provincial Government, the question would arise that once it is operating within a Province or State, who will be the Authority which would govern it? Naturally, the Police Force has got to be under the control and authority of the province or State concerned. But in clause 8 we say:

"While on active duty outside its headquarters, the Force shall be subject to the general control and direction of such authority or officer as may be prescribed or as may be specially appointed by the Central Government in this behalf."

Even if you send it to an area outside the Centrally Administered Area, you say that it should be under the command and control of officers whom you will

prescribe. Once they operate within a Province or State, are the Provinces not entitled to put the Force under the command or control of some of their officers? Law and order being a purely provincial subject, the Police operating in the Provinces will naturally and necessarily have to be under the control of the Provinces. After the 26th of January 1950, there will be no difference between Provinces and States and all will become "States". Therefore, some conflict is likely to arise. It should be made clear that when this Force operates in any Province or State (or, after the 26th January, any State) which is not a Centrally Administered Area, it shall be under the control and authority of the State concerned. Otherwise, conflict is bound to arise in regard to the terms of control and command. I think that should be made clear when we deal with Section 8, and I wish the Deputy Prime Minister will explain how he proposes to deal with this Police Force when it is operating in a Province or State now and in a State after the 26th of January 1950.

**The Honourable Sardar Vallabhbhai Patel:** There is not much controversy so far as the Bill is concerned and, as I have already informed the House, this Force is in existence and has been functioning since the year 1939. It has done very useful work. In fact, very few people have a correct appreciation or idea about the situation in the various States Unions and States since the merger took place or the Unions have been formed. Before these Unions were formed, when the States were functioning separately as units, the Police Force was most inefficient and ineffective. Practically, law and order was maintained by the Ruler's command and he had a sort of a Military Force which was functioning as a Police Force also. But in many States, these Forces being ineffective, when they were amalgamated into one Union the Police could not function effectively and could not be used anywhere outside the respective small units. When the Unions were formed from these units, the position was such that in many places criminal elements and unsocial forces thought Authority was very nearly disappearing and it was time for them to step in. We found that in some cases criminals or offenders escaped from jail and began outlawry and the commission of dacoity and murders. When this state of things arose, demand came from several Unions and some States also that their Police Force was not sufficient and in some cases not effective and therefore, they needed help. We found it very difficult to offer help, because our own resources were not adequate. We had long before written to the Provinces and given directions that in this matter, they should, as far as possible, be self-sufficient so that it may not be necessary for them in case of trouble to call out the military or to make indents on the Central Government for help. I am happy to say that in several provinces such as U. P., C. P. and Bombay, the Governments took such effective steps that whenever necessity arose we indented for help from them and they lent us their Forces. I have today a large number of Armed Police Constabulary from U. P. which has been sent to Hyderabad, Rajputana and other places. Similarly, when there was trouble in Delhi and we had not got sufficient Force, I sent for help from the nearby provinces of U. P. and C. P. and they sent us a good Force from there. Although these people are working outside their own provinces, they have been rendering good service. But we cannot depend upon provincial help for a long time. This little Force which we had came in very handy and it did very useful work also. But it is small and has to be augmented. We have done our best in this direction and it is still being increased.

Shri Mahavir Tyagi raised a point. He asked why we should still stick to Neemuch. As my hon. Friend here has already explained, in Neemuch we have accommodation—large number of barracks and buildings in existence. In Delhi we do not have accommodation even for hon. Members. So the suggestion that the Central Force should be at Delhi is not workable. The suggestion about a Training School at Neemuch has also been considered, but at present we have enough accommodation and a suitable site for the Training School

[Sardar Vallabhbhai Patel]

at Abu and these are being used for the present for the training of I. P. Officers.

Shri Mahavir Tyagi raised other points also,—regarding age and other things. He is probably not aware that there are rules under which all these points are covered and there is no new point to be discussed or to be decided upon. There are regular rules according to which the Police Force has been functioning. Its recruitment is made according to those rules. Since it is feared that perhaps this Force may be used for arresting Ministers in the provinces or Members of the Assembly, I may assure the House that we are not going to use our Force for that purpose. There have been few occasions when provinces have sought our help in this matter. But in the Unions we have often been called upon to send help. In the case of certain Unions where trouble has been created we have found it necessary to send help immediately and without a moment's notice.

We are passing through a period of transition. In this period we have made so many changes and raised so many forces, upset so many things of the old order—abolition of zamindari, amalgamation of States, removal of old institutions and many other similar things. The present situation is such that we have to be very watchful and careful. Then we have on the borders, due to partition, several raids being committed by dacoits from the other side or by the forces from the other side. So, we have to keep a watch. We have also on the other borders, revolutionary changes going on and certain young elements who consider that this is the time for creating a revolution and change the order existing in this country. There also we have to be very careful. In the industrial centres also there are certain forces which believe in creating trouble, for they think that the more unrest they create, the better the prospects for their organisation. In all these circumstances, a Central, well-organised and disciplined police force is a boon in these areas and they have all acknowledged with one voice that our help has been very useful.

In the present state of things we have to be very careful all over. Ours is a vast country, where consolidation has taken place with electric rapidity. So, unless we are very watchful we may find to our cost difficulties arising for which we may have to pay very heavily. Therefore, we have taken care to organise our services, our police force and all the requirements that are considered necessary for keeping law and order in the whole land, so that progress may be as effective and as rapid as possible. I have given enough justification for the Bill. Sir, I move that the Bill be taken into consideration.

**Mr. Chairman:** The question is:

"That the Bill to provide for the constitution and regulation of an armed Central Reserve Police Force, be taken into consideration."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clause 8 to 19 were added to the Bill.*

*Clause 1 was added to the Bill.*

*The Schedule was added to the Bill.*

*The Title and the Preamble were added to the Bill.*

**The Honourable Sardar Vallabhbhai Patel:** Sir, I move:

"That the Bill be passed."

**Mr. Chairman:** The question is:

"That the Bill be passed."

*The motion was adopted.*

### POLICE BILL

**The Honourable Sardar Vallabhbhai Patel** (Minister of Home Affairs and the States): Sir I move:

"That the Bill to provide for the constitution of a general police-district embracing two or more Chief Commissioners' Provinces and for the establishment of a police force therefor, be taken into consideration."

I shall presently explain, as briefly as possible, the justification for this measure. At present each of the Centrally Administered Areas has a separate Police Force of its own. Ajmer-Merwara, the Andaman and Nicobar Islands, Coorg and Himachal Pradesh, whose police force is in the process of reorganisation, have separate cadres of both officers and men. Ajmer-Merwara gets its officers from the United Provinces, Delhi has a separate cadre of constables and head constables but a common cadre for Assistant Sub-Inspectors and higher ranks with the East Punjab. In addition to the Police Departments in the Centrally Administered Areas, the Central Government are also concerned with the Delhi Special Police Establishment working directly under the Ministry of Home Affairs for dealing with cases of corruption among Central Government servants and certain specified offences such as, cheating, misappropriation, etc. against Central Government Departments. The posts in this establishment are at present filled by officers borrowed from various provinces for short periods. While I must acknowledge the helpful spirit in which generally the provinces meet our requisition for officers, we have sometimes found ourselves considerably embarrassed. Lately, because of the dearth of officers in the provinces, the arrangements have been proving unsatisfactory, and the provinces naturally have been displaying increasing reluctance to spare any of their good officers. Further due to the small areas and cadres of Chief Commissioners' provinces, the Police Officers have perforce to continue in the same station or area for a long time and thereby acquire local connections and associations of a personal nature which, obviously, are not very desirable and hamper them in efficient and impartial execution of their duties. It is, therefore, necessary to provide that Police Officers of Centrally Administered Areas are transferred from one area to another according to administrative exigencies. It is also possible that the Central Intelligence Bureau may find a common cadre of Centrally Administered Areas a useful source of supply in their own ranks. This would be eminently desirable because in future, as the hon. Members are aware, the Central Intelligence Bureau will have independent investigating powers.

Under the Indian Police Act of 1861, two or more Provinces cannot be constituted into a single general Police District. It will not, therefore, be possible to achieve the object without an independent Act. We have, therefore preferred a self-contained measure to provide for the constitution of a Police District embracing two or more Chief Commissioners' Provinces and for the constitution of one Police Force for such Police Districts. The provision for the constitution of either one district for all the Chief Commissioners' Provinces or several districts, has deliberately been made flexible so as to enable the Central Government to include within, or exclude from, its scope such of the Centrally Administered Areas, existing and newly created, as they deem necessary. We have also considered it desirable to exclude from its scope the Delhi Special Police Establishment. The reasons for this are that while the general Police

[Sardar Vallabhbhai Patel]

of the Chief Commissioners' Provinces, which is proposed to be constituted into one single force, will have jurisdiction only within the areas of those Provinces, the Delhi Special Police Establishment has, under the provisions of the Delhi Special Police Establishment Act, the authority to function in all Provinces of India. Under the Draft Bill, however, we do not anticipate any difficulty for the Special Police Establishment to draw upon the pool of officers and men in the proposed Police Force in the Chief Commissioners' Provinces and no special provision for that purpose in the Bill is, therefore, called for. In fact, if necessary, we can even place the Special Police Establishment and the Police Force for all the Chief Commissioners' Provinces under a single officer to function as I.G. Police.

I hope, Sir, in view of the reasons which I have given, the House will accept the necessity of a Central Cadre of Police Force for two or more Chief Commissioners' Provinces. Once this necessity is established, the necessity for the Bill must automatically be conceded. I, therefore, commend the Bill for the consideration of this House.

**Mr. Chairman:** Motion moved:

"That the Bill to provide for the constitution of a general police-district embracing two or more Chief Commissioners' Provinces and for the establishment of a police force therefor, be taken into consideration."

**Prof. Shibban Lal Sakana (U.P.: General):** Sir, while I welcome this measure. I want to place one or two observations before the hon. mover. This Bill contemplates the creation of a pool of officers for Delhi, Ajmer-Merwara, the Andaman and Nicobar Islands, Coorg, Himachal Pradesh and other Centrally Administered Areas. I would only desire to know whether officers, say of Delhi, would like to go on transfer to the Andamans or to Coorg, and whether such transfers will be appreciated by the officers. I have been of the opinion that if you have a single police force for the whole country and there is uniformity, that would be better. From that point of view I would prefer a single police force which is uniform throughout. But if you have a police force only for Coorg, the Andamans, the Himachal Pradesh, Delhi and Ajmer-Merwara then officers of one place might find difficulty in going to other places on transfer and that would become a sort of severe punishment for them. So I would like this aspect of the case also to be considered, and it should be found out whether the efficiency and contentment of the forces would increase by such transfers or whether it would be otherwise.

**Sri B. Das (Orissa: General):** Sir, while the underlying idea of this Bill is good, I would like the hon. mover to consider whether it is not premature in view of the fact that within a year some of the Chief Commissioners' Provinces will liquidate themselves. As far as I have understood the position in the Constituent Assembly, Ajmer-Merwara will not exist but will be merged into Rajasthan State. Coorg has to go to Mysore and would not remain in Madras, and if Coorg goes to Mysore, the Mysore State Police will administer Coorg and Coorg need not be policed by a centrally administered police service from Delhi. As far as the Andamans are concerned we have not had the privilege of hearing from our Deputy Prime Minister in the other House whether these Islands will remain perpetually Chief Commissioner's Provinces, but it was understood that they will remain a Centrally Administered Area for security purposes, and for that reason, of course, the Deputy Prime Minister must have to look after the safety and security of that place. As for Himachal Pradesh, I think that Chief Commissioner's Province may be liquidated and merged into the P.E.P.S.U. or with the province of East Punjab, or partly

with the United Provinces and partly with East Punjab. Therefore, if we start this new police organisation for these areas, the thing would be premature, especially on grounds of economy and in view of the financial stringency, and in view of the fact that these provinces would be merged into the adjoining States. I do hope that this point may be properly examined by the hon. Deputy Prime Minister and the Home Ministry, and it may be considered whether the promulgation of the scheme may not be postponed till the new Parliament or the next Parliament decides what will be the fate of these petty territories, and whether on financial grounds it is necessary to maintain these costly Chief Commissioners' Provinces which cost the Government of India a pretty large sum.

**बोधरी रणबीर सिंह :** सभापति महोदय, मैं इस मसविदे का समर्थन करता हूँ। जो सतरा बी० दास जी ने जाहिर किया वह सच्चाई से बिल्कुल उलटा है, वह यह कि आज दिल्ली के लिये एक अलहदा आई० जी० (Inspector General) है, अजमेर के लिये अलहदा और चन्द्रनगर या दूसरे जितने छोटे छोटे यूनिट्स हैं जो हमारे कॉन्स्टिट्यूशन (Constitution) के शेड्यूल (Schedule) में दर्ज हैं, उनके लिये अलहदा अलहदा आई० जी० (I. G.) होंगे। अगर हमारा बचाना ही दृष्टि में रखा जाय तो भी मैं समझता हूँ कि यह बिल एक बहुत ही अच्छा बिल है, इससे काफ़ी रूपया बचेगा। आज जो आर्थिक संकट है, उसको निगाह में रखते हुए भी यही ठीक है। मिसाल के लिये पुरानी दिल्ली, या दिल्ली के देहात हैं जो पंजाब या नये दिल्ली सूबे के अन्दर शामिल किये जा सकते हैं। लेकिन नई दिल्ली के बारे में यह खयाल जाहिर किया जाता है कि वह अलहदा सूबा रहे। इसके इलावा चंद्रनगर या अण्डमन (Andaman) जैसे सूबे अलहदा ही बने रहेंगे। आज हमारे सामने मसला यह है कि आया उनके लिये अलहदा अलहदा आई० जी० (I. G.) रखें या उन सब के लिये एक ही आई० जी० (I. G.) हो। मैं समझता हूँ कि इस कानून का मसविदा उसको हल करता है और ठीक तरह से हल करता है। इस लिये मैं इसका स्वागत करता हूँ।

*(English translation of the above speech).*

**Ch. Ranbir Singh (East Punjab: General):** Mr. Chairman, Sir, I support this Bill. The apprehension of my honourable friend Shri E. Das is not borne out by the facts and that is that at present there exist separate Inspector Generals for Delhi and Ajmer and separate Inspector Generals will be appointed for Chandernagore and all other smaller units which have been included in the Schedule to our Constitution. If the consideration of effecting a saving in expenditure only is kept in view, even then I think that this is a very good measure and it will result in a considerable economy. Even keeping in view the present financial stringency, this is a very appropriate measure. For example, take the case of Old Delhi or rural area of Delhi which can be merged in the Punjab or the new Province of Delhi. But with regard to New Delhi, it is desired that it should remain a separate unit. Apart from this, provinces like Chandernagore or Andamans will continue to remain as separate entities. Today we are faced with the problem whether a separate Inspector General should be appointed for each of these Provinces or a single Inspector General should be appointed for them all. I feel that the enactment of this legislation seeks to solve this appropriately. Therefore, I welcome this.

Shri C. M. Poonacha (Coorg): Sir, I welcome this Bill and in doing so I would like to place some points which, in my opinion, need some clarification. At the outset, this Bill attempts to remove one or two serious handicaps in the Centrally Administered Areas, namely, that officers, particularly the gasetted officers once appointed, become more or less, permanent fixtures in those areas and thereby create difficulties and administrative problems which are not easy to solve. In this Bill, in so far as the police force is concerned, I am happy to note that at least that part of the difficulty of making permanent fixtures of police officers would be hereafter mitigated. Now, I refer to sub-clause 8 of clause 1, wherein it is said that this Bill shall come into force by a notification issued by the Government of India in the official Gazette to such of the Provinces as are mentioned therein. Taking into consideration some of the practical difficulties that might arise according to this Bill, I am afraid some of the areas might possibly be excluded from being brought under the provisions of this Bill. The Centrally administered areas, as they are few and far between, for example, places like Coorg, Andamans, Ajmer-Merwara might be brought together under this Bill. But as they are so far away, the practical difficulty of transferring police officers from these places might at the same time bring a difficult situation and that for such practical difficulties to start with, the Government of India might not bring these areas under the provisions of this Bill. There is a fear or at least a doubt in me that the Government of India might exclude some of these areas because of this difficulty coming in the way. I would like a clarification on that point, and my wish is that when this Bill is going to be brought into operation all the Centrally administered areas will be brought under the operation of this Bill without any exception. That is one point that I want to make clear.

Then again there are practical administrative difficulties and also the financial implications that arise because these Centrally Administered Areas are at the moment financially not quite sound; they have been relying on the Central finances for help, and particularly in the case of Coorg, as it has a separate budget of its own, there has been no Central financial aid to this Province. A measure of this nature if brought into operation should not mean additional financial burden upon this Province, whose resources are already slender. I would like to know that such of the incidental financial burdens that might result, while bringing this Bill into operation, whether the Central Government would stand itself charged to bear those extra financial expenditure or whether such extra financial expenditure is going to be shifted on to the Province? At least I am hopeful that the Central Government in all fairness would agree to bear such of the extra financial expenditure that might arise by bringing this Bill into operation. There is another point on which I would like to have some clarification. In the Statement of Objects and Reasons, it is envisaged to constitute a common pool of police officers' cadre from which officers would be drawn for the purpose of manning the district police force, which would be constituted and I am afraid that in doing so, the scope of enlistment in this police force might exclude the personnel from the respective areas. My plea is that this Bill should not in any way prove to the disadvantage of such of the candidates, deserving personnel who hail from these areas, to come into the general pool from which these officers would be hereafter drawn upon. I hope that ample facilities will be created or at least ample scope would be so provided as to enrol personnel who are officers or other qualified persons from these respective areas themselves so much so ample opportunities would be available to the deserving people of these areas.

No doubt this Bill goes a long way in removing that great difficulty so far as administration is concerned about the permanent fixtures of the gasetted or senior officers in these areas, and particularly in the Police. Speaking at least so far as Coorg is concerned, it is more or less a very strange situation

there, because generally officers working in the Revenue Department are promoted as District Superintendents of Police. I think, it is for the first time in Coorg that we have a regular police man now as the District Superintendent of Police and naturally the next step for him is the District Magistrate's position. So the circle runs this way: A man is recruited to the Revenue Department to start with and then he works there for ten or twelve years, then he looks up to the District Superintendent of Police's place and then after serving for some time, there he jumps up to the District Magistrate's place and finally perhaps becomes the Chief Commissioner. These possibilities are always there and in this way the merry circle continues and the things that are happening are more or less short-circuited and the Government of India are not able to know the day to day happenings or the inner happenings that are taking place there. Therefore, I am really happy to welcome this Bill and commend it to the acceptance of the House.

**The Honourable Sardar Vallabhbhai Patel:** This is a simple measure in which the House has raised hardly any controversy and I am glad that it is acceptable to the House. Some of the small points that have been raised may very well be explained at the present stage. My hon. friend, Mr. B. Das raised the question of merger and from that point of view, whether it would not be necessary to consider postponement. I may tell him that the Government at present do not consider that any non-State area is to be merged in any States or in any other Union at present. We have done enough of mergers and amalgamations. It may be found necessary in the case of some Union, that it may not be possible financially and otherwise to keep it separate. We may have to merge that. But so far as the non-State areas are concerned such as Ajmer or Coorg or Andamans, it is not possible for us to consider at present any question of merger or any controversy raised on behalf of those who claim those areas or those who come from those areas. If they desire to raise any controversy, I may definitely assure them that this Government is not going to consider any such question at present. We shall wait till the stability of the country has been assured and the economic condition of the country is put on a proper and suitable basis. We have enough work to do otherwise. Therefore, any question of merger would not arise at present.

In the meanwhile, in the interests of efficient police administration, it is necessary to have an efficient police force which can function properly. It is quite true that nobody is willing to go to Andamans from here. It is a distant place. We have to give some inducement also. But, we cannot depend always upon the mercy of individuals or units from which we can get these officers. We must have our own cadre, our own establishment from which we can send efficient officers as and when it is found necessary without even notice. It is for this purpose that this Bill is being brought forward. My hon. friend from Coorg has realised the importance of the thing because his unit is now in a distant place. I am happy to say, however, that the thing called crime is hardly known in Coorg. It is the happiest place in India where there is no crime, there is no disorder and where people realise and understand the value of freedom. Therefore, at present, we do not want to disturb them. But they have also come into contact with modern forces and some of them have been also talking of merger and of various other things which the adjoining areas have been doing. Therefore, we have to be watchful. We should provide for officers being sent from outside or for officers being transferred from units which are at such distant places, after a certain period. As for instance, in Coorg, when an officer is appointed, he is there till he dies; he never retires. Such a state of things may not be with regard to the police administration alone. Therefore the administration suffers. We have found it necessary, so far as the police administration is concerned, to bring forward this measure. In all such

[The Honourable Sardar Vallabhbhai Patel]

distant units, we will form one or two units in which the police force may be so consolidated and so organised that we may find no difficulty in carrying on an efficient administration in these areas. I think the House will accept the general principles of this Bill and I move that the Bill be taken into consideration.

**Mr. Chairman:** The question is:

"That the Bill to provide for the constitution of a general police-district embracing two or more Chief Commissioners' Provinces and for the establishment of a police force therefor, be taken into consideration."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clauses 1 to 7 stand part of the Bill."

*The motion was adopted.*

*Clauses 1 to 7 were added to the Bill.*

*The Title and the Preamble were added to the Bill.*

**The Honourable Sardar Vallabhbhai Patel:** Sir, I move:

"That the Bill be passed."

**Mr. Chairman:** The question is:

"That the Bill be passed."

*The motion was adopted.*

**Mr. Chairman:** The House will stand adjourned till 10-45 a.m. tomorrow.

*The Assembly then adjourned till a Quarter to Eleven of the Clock on Friday, the 23rd December, 1949.*