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THIRD SESSION
OF THE
SIXTH LEGISLATIVE ASSEMBLY
1947

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LEGISLATIVE ASSEMBLY

President :

The Honourable Mr. G. V. MAVALANKAR.

Deputy President :

Khan MOHAMMAD YAMIN KHAN, M.L.A.

Panel of Chairmen :

Syed GHULAM BHIK NAIRANG, M.L.A.

Mr. P. J. GRIFFITHS, M.L.A.

Sardar MANGAL SINGH, M.L.A.

Shrimati AMMU SWAMINADHAN, M.L.A.

Secretary :

Mr. M. N. KAUL, Barrister-at-Law.

Assistant of the Secretary :

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Mr. HASAN MOHAMMAD KHAN.

Mr. N. C. NANDI.

Marshal :

Captain Hajee Sardar NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

Khan MOHAMMAD YAMIN KHAN, M.L.A. (*Chairman*).

Syed GHULAM BHIK NAIRANG, M.L.A.

Shri SRI PRAKASA, M.L.A.

Mr. C. P. LAWSON, M.L.A.

Sardar MANGAL SINGH, M.L.A.

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LEGISLATIVE ASSEMBLY

Monday, the 10th February, 1947

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Deputy President (Khan Mohammad Yamin Khan) in the Chair.

MEMBER SWORN:

Mr. Shah Nazar Hasan, M.L.A. (Meerut Division: Muhammadan Rural),

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

COAL MINES WAGES INQUIRY COMMITTEE.

148. ***Pandit Sri Krishna Dutt Paliwal:** Will the Honourable the Labour Member please state:

(a) if the coal mines wages Inquiry Committee has commenced its work and is likely to submit its report by the end of March this year;

(b) if the report of the Committee will be laid on the table of the House during this session; and

(c) if the Committee will also submit its recommendation on the minimum wages in the coal mining industry?

The Honourable Shri Jagjivan Ram: (a), (b) and (c) It was the intention of Government to set up a Committee to make recommendations in regard to reasonable rates of wages for different categories of workers in the coal industry. For unavoidable reasons, however, the Committee, could not commence its work. The situation in the collieries has, meanwhile, deteriorated. Quick action has to be taken, if there is to be no epidemic of strikes in the coal mining areas. Government have, therefore, constituted a Board of Conciliation under the Trade Disputes Act, 1929 composed of (1) Mr. W. R. Puranik, Retired Judge of the Nagpur High Court, Chairman, (2) Mr. S. F. Tariton, (3) Mr. D. R. Rathor, (4) Professor Abdul Bari and (5) Mr. P. C. Bose.

Pandit Sri Krishna Dutt Paliwal: Has this Board of Conciliation commenced its work?

The Honourable Shri Jagjivan Ram: Not as yet.

Mr. N. M. Joshi: When Prof. Abdul Bari and Mr. Bose were appointed to the Conciliation Board, were the labour organisations in coal mines consulted?

The Honourable Shri Jagjivan Ram: The Secretary of the Labour Department had been there and he contacted a number of labour workers there.

Mr. N. M. Joshi: May I ask whether the Government are aware that under the Act of 1929, labour representatives must be appointed with the consent of the labour organisations and whether this has been done? Mere contacting labour in mines is not enough.

The Honourable Shri Jagjivan Ram: As a matter of fact Prof. Bari and Mr. Bose represent the workers organisations as well.

Mr. N. M. Joshi: May I ask whether there are not other organisations which are contesting the claim of Prof. Bari?

The Honourable Shri Jagjivan Ram: The workers of those organisations also were contacted and consulted on this point.

WELFARE OF WORKERS IN TEA PLANTATIONS.

149. *Pandit Sri Krishna Dutt Paliwal: Will the Honourable the Labour Member please state:

(a) the steps taken or proposed to be taken in order to improve the lot of workers in tea plantations; and

(b) whether anything has been achieved so far in connection with their general welfare and the revision of their wages and improvement of their housing conditions?

The Honourable Shri Jagjivan Ram: (a) and (b) Steps have been taken to constitute a Plantation Labour Conference on a tripartite basis. The first meeting of the Conference was held on the 8th and 9th January, 1947. As a result of the deliberations of the Conference, the employers have agreed to give—

(i) an *ad hoc* wage increase of two annas per day for man in the Assam Valley and for a *pro rata* increase for women and children and for similar increases in the Surma Valley and Bengal gardens;

(ii) Maternity benefit at the rate of Rs. 5/4/- per week for eight weeks;

(iii) Sickness Benefit for periods of sickness upto two weeks in a year at a rate equivalent to two-thirds of the daily earnings.

Agreement was also reached at the Conference that Government should prescribe and enforce standards regarding housing and medical services to be provided by the gardens and that steps should be taken to extend the Primary Education Acts to plantations. The employers also agreed that a quick family budget enquiry should be conducted in certain selected gardens in Assam and Bengal to ascertain the requirements of the workers and that, on the basis of the results of this enquiry reasonable rates of wages should be agreed upon at the next Conference to be convened on the completion of the enquiry. Steps have been taken to undertake the enquiry. My Department is examining the question of drafting a Bill regulating conditions of work in the Plantations and giving power to Government to prescribe and enforce standards regarding housing, medical and health services. The recommendation regarding the application of the Primary Education Acts has been brought to the notice of Provincial Governments.

Mr. Sasanka Sekhar Sanyal: Who are the parties to this conference?

The Honourable Shri Jagjivan Ram: Employers, workers and governments concerned.

Mr. N. M. Joshi: How were the workers' representatives selected for this conference?

The Honourable Shri Jagjivan Ram: We communicated to the provincial government to inform the workers organisations working in plantations. We contacted these organisations and asked them to send representatives.

Pandit Sri Krishna Dutt Paliwal: Has any date been fixed for the enquiry to be completed?

The Honourable Shri Jagjivan Ram: The enquiry is to be completed as early as possible, I think within two months.

Babu Ram Narayan Singh: May I know the names of labour representatives at Jharia?

The Honourable Shri Jagjivan Ram: Jharia is not interested in plantation, as my Honourable friend must know.

DEVELOPMENT OF NATIONAL SHIPPING.

150. *Pandit Sri Krishna Dutt Paliwal: Will the Honourable the Commerce Member please state:

(a) the steps Government have taken or propose to take to develop the national shipping; and

(b) whether competition in Indian coasts by foreign shipping has been stopped?

The Honourable Mr. I. I. Chundrigar: (a) The Government of India are committed to a policy of rapid expansion of the Indian Mercantile Marine and of assisting in its increased participation in the coastal and overseas trade of the country. The ways and means of implementing this policy are at present under examination by a sub-committee of the Shipping Policy Committee. The Sub-Committee is expected to submit its report very shortly and the whole question of the action to be taken for the development of Indian Shipping will come under examination after the report is received.

(b) Due to conditions arising out of the war, competition in shipping was practically eliminated. Demand for shipping requirements far exceeds the supply and competition has not, therefore, revived so far, but should it arise again and be found to be affecting India's interests adversely, Government would take adequate steps to deal with it.

Mr. Manu Subedar: Will the Honourable Commerce Member tell this House something more about the nature of the expenditure incurred from the six million dollars which Government made available for the purchase of ships?

The Honourable Mr. I. I. Chundrigar: The companies to whom facilities for this dollar exchange were given by Government have not yet reported as to how much exchange they have utilised. The figures can be compiled only after the companies submit their report.

Mr. Manu Subedar: Will the Honourable Member tell the House what happened to the ships which India refused from the German reparations and whether any substitute ships are offered for us by His Majesty's Government or the Allied Council in place of those which were given to India and which India refused?

The Honourable Mr. I. I. Chundrigar: That question is entirely unconnected with this question. I require notice.

Mr. Sasanka Sekhar Sanyal: Have the Government of India any say in determining the rates and freights which are fixed by the various companies?

The Honourable Mr. I. I. Chundrigar: The question of fixing rates and freights at present is a question between the shipping companies and their organisations on the one hand and the shippers on the other. The Government have, under the law as it stands at present, no authority directly to fix the rates and the question is under examination as to the powers which Government can assume in this connection.

Mr. N. M. Joshi: May I ask whether the Government of India have considered the general question of policy as to whether shipping, which is a key industry, should be nationalised or not? I want to know what is the policy of the Government as regards nationalising shipping industry?

The Honourable Mr. I. I. Chundrigar: The question cannot be considered piecemeal. The whole shipping policy will be reviewed when the report which has been mentioned by me in reply to part (a) is received by government.

Seth Govind Das: Is it a fact that the policy of the Government in this respect was announced as early as 1926 when Mr. Haji presented a Bill in this House, and since then the movement of the Government has been very slow in this direction? Now as the Interim national Government has come into being, will they see that this slowness of speed is abandoned and something is done soon?

The Honourable Mr. I. I. Chundrigar: Government will take quick steps to examine the report as soon as it is received, and will reach a decision as early as possible.

Mr. N. M. Joshi: Are Government aware that shipping companies are exploiting the passengers of these ships on coastal voyages, and if so, what steps are they taking to prevent this exploitation?

The Honourable Mr. I. I. Chundrigar: Government have received complaints about the alleged exploitation and the question is under examination.

CONFERENCE OF ARCHITECTS IN NEW DELHI AND PLAN OF CHEAP MODERN HOUSES IN RURAL AREAS.

151. ***Pandit Sri Krishna Dutt Paliwal:** Will the Secretary of the Works, Mines and Power Department please state:

(a) if the conference of Architects held at New Delhi in December, 1946 has evolved any style of architecture in keeping with Indian traditions and suiting the needs of modern India; and

(b) if Government have got any plan for cheap and modern houses in rural areas, if so, what?

Mr. B. K. Gokhale: (a) No. The Conference of Architects was called to consider the desirability, if any to undertake legislation, to regulate the practice and profession of Architects in India.

(b) No. Sir.

EXPORT OF BONES.

152. ***Seth Govind Das:** (a) Will the Honourable the Commerce Member please state the quantity of bones exported from this country during 1945?

(b) Are Government aware of the fact that bones contain phosphates which are essential ingredient of manure?

(c) In view of the fact that we have no natural deposits of phosphates, do Government propose to take steps to prevent the export of bones and divert them to agricultural use which is more vital to us?

The Honourable Mr. I. I. Chundrigar: (a) 35,789 tons.

(b) Yes, Sir.

(c) Export of raw bones and bonemeal is totally prohibited but a limited quantity of crushed bones and bonegrists is being allowed because bones in these forms cannot be economically utilised for manurial purposes. The use of bonemeal and superphosphate for manurial purposes is being encouraged by the Government of India and financial assistance is being given to Provincial Governments for subsidised distribution of bonemeal. Bonemeal is a bye-product in the process of manufacturing crushed bones, and hence if bones are not crushed and exported, we shall lose our valuable supplies of bonemeal.

Mr. C. P. Lawson: Is it a fact that the manufacture of superphosphates from bones was discontinued in Europe a hundred years ago as uneconomic?

The Honourable Mr. I. I. Chundrigar: If they had other materials from which they could get superphosphates in larger quantities they may have abandoned it. But if our resources are such that it may be difficult for us to get superphosphates in large quantities from other materials we cannot afford to do so.

Mr. C. P. Lawson: Is it not a fact that the primary use of bones is the extraction of glues and gelatines, and is it not therefore a fact that it is completely uneconomic to manufacture superphosphates from bones from which the glues and gelatines have not been extracted?

The Honourable Mr. I. I. Chundrigar: That is a technical question and will require examination. But, as I said, we cannot at the present moment give up any article which gives us superphosphates which we need so badly here.

Seth Govind Das: Will the Government consider the desirability of stopping the export of bonegrist, which is being exported every year?

The Honourable Mr. I. I. Chundrigar: The quantities for export are fixed only after fully considering the requirements of the country.

Sri S. T. Adityan: Are Government aware of the presence of large quantities of phosphate nodules in the Trichinopoly district of the Madras Presidency?

The Honourable Mr. I. I. Chundrigar: I shall require notice of that question.

Shri Mohan Lal Saksena: What is the total sum of money granted to the various provincial Governments?

The Honourable Mr. I. I. Chundrigar: No money is given to them.

Mr. Ahmed E. H. Jaffer: Will the Honourable Member consider the advisability of appointing a bones inquiry committee to consider all these questions?

(No reply was given.)

REUNION OF PEOPLE IN GOA AND OTHER FOREIGN POSSESSIONS IN INDIA IN THE NEW CONSTITUTION OF INDIA.

153. *Seth Govind Das: Will the Honourable Member for External Affairs be pleased to state:

(a) whether Government are aware that the people of Goa, Damaun, Diu, and other foreign possessions in India, have expressed a strong desire for reunion in accordance with the principle of self-determination, in the new constitution for India; and

(b) the steps that have been taken, or are proposed to be taken to have their claim considered?

The Honourable Pandit Jawaharlal Nehru: (a) and (b) Government are not in a position to say that the majority of the people of Goa, Damaun, Diu and other foreign possessions in India desire regarding a re-union with the rest of India under a new constitution. They are aware however that such sentiments have been expressed. They feel that the right time to consider the question of the foreign possessions in India will be at a later stage when the constitution of India takes shape.

Mr. Sasanka Sekhar Sanyal: What is the attitude of these foreign authorities in the matter of these possessions? Are they prepared to offer these territories if the people there desire to come within the Indian fold?

The Honourable Pandit Jawaharlal Nehru: That is a question which the foreign authorities should answer and not the Government of India.

Mr. Sasanka Sekhar Sanyal: Is it a fact that the French authorities have declared their willingness to give up their possessions in Chandernagore and Pondichery if the majority of people of these places so desire?

The Honourable Pandit Jawaharlal Nehru: I believe it is a fact that the Governor of the French possessions in India declared in a speech some time back that France would abide by the decision of the majority of the people there.

Mr. Sasanka Sekhar Sanyal: Have the Government of India made any attempts by this time to ascertain the views of the other foreign possessions?

The Honourable Pandit Jawaharlal Nehru: No, Sir. As I have said in reply to the main question, we think that this question should be taken up very much later when the time is ripe for it.

EXPANSION OF INDIA'S OVERSEAS TRADE.

154. *Pandit Sri Krishna Dutt Paliwal: Will the Honourable the Commerce Member please state:

(a) the step or steps Government have taken or propose to take for the expansion of India's overseas trade; and

(b) whether any trade commissioners have been appointed, any missions have been sent abroad and whether any commercial links have been established so far for the purpose?

The Honourable Mr. I. I. Chundrigar: (a) The following steps have been or are proposed to be taken for the expansion of India's overseas trade:

- (1) Progressive withdrawal of wartime restrictions;
 - (2) Appointment of more Trade Commissioners and the constitution of an Indian Trade Commissioner's Service;
 - (3) Re-organization of the existing machinery for the collection and compilation of commercial intelligence;
 - (4) Setting up of a well-equipped and specialised publicity organization at Government's headquarters and the appointment of Publicity Officers in the offices of the Indian Trade Commissioners;
 - (5) Participation in international trade fairs and exhibitions;
 - (6) Sponsoring of official and non-official Trade Missions to foreign countries for surveying foreign markets and establishing contacts.
- (b) (1) In addition to the Trade Commissioners already functioning at New York, Toronto, Buenos Aires, London, Alexandria, Mombasa, Sydney, and Tehran, Trade Commissioners' offices have recently been opened in Colombo and Paris and are proposed to be opened shortly in Iraq, Burma, Czechoslovakia, Scandinavia, Milan, Hamburg, Shanghai and Singapore.
- (2) The Government of India have sponsored a Trade Mission to China in 1946. Arrangements have been made to depute very shortly a Trade Mission to countries in the Near and the Middle East.

Mr. Manu Subedar: May I know whether Government have prepared a list of those articles in which India is in short supply and whether Government have communicated with various countries from which these articles could possibly be imported indicating to them that these are short supply articles which India would need, and also giving them a list of the surplus articles of India in order to find out whether an exchange on a barter basis could take place?

The Honourable Mr. I. I. Chundrigar: The question is being dealt with every day as occasions arise so far as import of articles in short supply and the export of articles which we have got in plenty are concerned.

Mr. Manu Subedar: Have Government made any communication to the Governments of other countries on this subject?

The Honourable Mr. I. I. Chundrigar: As I said, the question is being dealt with from day to day as occasion arises. We have been in touch with Governments, with Trade Commissioners and also unofficially through several sources.

ABOLITION OF DIRECTORATE OF RESETTLEMENT AND EMPLOYMENT.

†155. ***Maharajkumar Dr. Sir Vijaya Ananda:** (a) Will the Honourable the Labour Member be pleased to state whether Government are aware that the Directorate of Resettlement and Employment has been able to secure jobs for only slightly above two per cent of the total number of demobilised persons?

(b) If so, do Government propose to consider the question of abolishing this Directorate?

The Honourable Shri Jagjivan Ram: (a) The answer is in the negative. During the period 1st July, 1945 to 31st December 1946, the Resettlement and Employment Organisation found employment for 79,679 ex-servicemen and over 35,000 discharged war-workers. About 37,000 more ex-servicemen were offered employment but they either declined the offer or did not appear for interviews

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

with employers. In addition, during this period the Organisation admitted 7,143 ex-servicemen to its training centres; over 22,000 ex-servicemen have been posted to the training centres but have not yet reported at these centres.

Thus out of 4,58,598 ex-servicemen who needed employment assistance 86,822 or 18.9 per cent. have already been placed in employment or admitted to the training centres.

(b) In view of the fact that this Organisation, which is a new venture in this country, has been working under difficult and abnormal conditions and only for a short period, Government do not regard the results so far achieved as unsatisfactory. Government proposes to expand the scope of this organisation with a view to developing it into a permanent Employment Service.

STATEMENT BY MR. J. J. SINGH ABOUT INDIAN IMMIGRATION INTO AMERICA

156. *Seth Govind Das: (a) Will the Honourable Member for External Affairs please state whether Government are aware of the statement given by Mr. J. J. Singh, in New Delhi about the Indian immigration into America?

(b) If so, what principle are the Government of India going to follow in recommending immigrants into America?

(c) Do Government propose to reopen this question with the United States of America State Department to increase the annual quota of Indian immigrants into the United States of America?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) Immigrants to the United States of America from India will not be recommended by the Government of India but will be selected by the United States Government from applicants who possess the qualifications required by American Law. This is in accordance with ordinary international practice.

(c) No, Sir. We do not propose to take any such step at present. The provisions regulating these quotas apply equally to the immigrants of all nationalities and it will therefore not be feasible, to press the United States Government to relax them in favour of Indians.

Mr. Manu Subedar: How does the Honourable Member reconcile with the answer given to me the other day by the Honourable the Home Member that those who have recently acquired Indian nationality will not take advantage of the Indian quota given for America if the United States Government is going to decide? What steps will Government take in order to see that only Indians who are born Indians will have the advantage of this immigration quota and that immigration quota will not be appropriated by those who have recently acquired the Indian nationality mostly Germans and Polish Jews?

The Honourable Pandit Jawaharlal Nehru: I am sorry I do not remember the exact contents of the Home Member's reply to the Honourable Member's question. So far as I know no such question has arisen in the United States of America. If it does arise, the matter will be dealt with in some way or other, but I cannot give any final reply without knowing the facts of the case.

STATEMENT BY SARDAR SARDUL SINGH CAVEESHAR ABOUT SHOOTING OF NETAJI SUBHAS CHANDRA BOSE BY ALLIED TROOPS

157. *Seth Govind Das: (a) Will the Honourable Member for External Affairs be pleased to state whether Government are aware of the statement made by Sardar Sardul Singh Caveeshar at Jubbulpore on the 19th December, 1946, to the effect that Netaji Subhas Chandra Bose was recently shot dead on the Russo-Chinese border by allied troops?

(b) If so, have the Government of India got any information to this effect from the Allied military authorities?

(c) If the allegation has any basis, do Government propose to make proper enquiries about the said incident?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) No.

(c) Government have no reason whatever to believe that the statement has any foundation in fact and therefore do not propose to take any further action. Such enquiries as Government have made tend to show that Shri Subhas Chandra Bose died as a result of injuries sustained in an aircraft crash in Formosa. The evidence of the doctor and nurse who attended on him confirms this conclusion.

Seth Govind Das: Are the Government aware that every now and then some sort of a statement comes out from some gentleman or leader in this respect, and then there is again a lot of confusion? So will the Government think it advisable to enquire into the whole matter and make a final statement in this respect?

The Honourable Pandit Jawaharlal Nehru: The Government are perfectly aware that some members of the public have made statements which can only be characterized as utterly and wholly irresponsible and without foundation. It is impossible to check such statements in the press. As for the proposal that Government should make an enquiry, we have made some enquiries and the result of those enquiries have more or less convinced us of the fact that I have stated in answer to the question. No further enquiry is called for, nor is it possible to hold any further enquiry.

Mr. Ahmed E. H. Jaffer: Shall we, therefore, take it that the gentleman is now finally dead?

Pandit Lakshmi Kanta Maltra: Provisionally dead!

PRINTING OF LEGISLATIVE ASSEMBLY DEBATES

153. ***Mr. Manu Subedar:** (a) Will the Secretary of the Works, Mines and Power Department please state if the Government of India Press, New Delhi is working as it was before?

(b) Are Assembly Debates printed in that Press?

(c) What was the time taken for the issue of these Debates after the date of the debate (i) before the war, (ii) during 1945-46, and (iii) 1946-47?

(d) Have the Debates of the last Autumn session been printed and sent round and if so, on which date?

Mr. B. K. Gokhale: (a) The Government Press is not as efficient as Government would like it to be. The volume of work in the Press has tremendously increased since the beginning of the war. This has caused severe strain on equipment and accessories which have worn out and there is little prospect of immediate replacement. There has also been a paucity of trained men to fill up the new posts created to cope with the work.

(b) Yes.

(c) (i) Two to three weeks.

(ii) and (iii) Four to 16 weeks.

(d) I lay on the table a statement giving the information desired.

Statement showing the dates upon which each day's Assembly Debates of the Autumn Session of the Legislative Assembly in 1946 were despatched to members of the House

Date of each day's Debates	Date of despatch to Member
1946	1946
October 28th	December 11th
October 29th	December 13th
October 30th	December 27th
	1947
October 31st	January 2nd
November 1st	January 10th
November 4th	January 10th
November 6th	January 10th
November 7th	January 10th
November 8th	January 10th
November 11th	January 16th
November 12th	January 16th
November 13th	January 24th
November 14th	January 24th
November 15th	February 1st
November 16th	February 1st
November 18th	February 1st

Mr. Manu Subedar: In view of the fact that in British Parliament, the debates are printed off in the course of three days and are available even to the public in the course of less than a week, will Government make a special effort to see that the proceedings of this House are available both to Members and to the general public as early as possible, and will they take some special steps in order to achieve this result?

Mr. B. K. Gokhale: Government are doing their best to see that the proceedings are printed up as quickly as possible; but there are various circumstances beyond their control which make it quite impossible to do the work as quickly as was being done in pre-war days. I have already referred to some of the reasons in reply to part (a) of the question.

Mr. Manu Subedar: My point was not clear. My point was that instead of regarding the printing of Assembly debates in the same light as the general printing work of Government—forms and so on—have Government examined the possibility of having some special arrangement in a section of the Press during the sitting of the Houses in order to print off and give absolute priority to the Assembly debates?

Mr. B. K. Gokhale: Assembly debates are already given very high priority. Ordinary and miscellaneous work is given very low priority; but there are certain other things like the Weekly Gazette which has to come out on a certain date and has to be given high priority. All priorities are very carefully examined. I can assure my Honourable friend that we try to give as high priority as possible to Assembly proceedings.

Mr. Sasanka Sekhar Sanyal: Will the Honourable Member be pleased to state why is it that printed copies of evidence of witnesses who were examined in the third week of November by the Banking Bill Select Committee could not be made available before the 20th of January, the day on which the Select Committee was finishing its business?

Mr. B. K. Gokhale: Presumably because it did not have a very high priority.

Mr. Sasanka Sekhar Sanyal: What is the reason for this delay?

Mr. B. K. Gokhale: The reasons are that the work in the Press has very largely increased. The machinery has become very old. We have not been

able to buy new machinery. Orders, which have been placed, will take another year or two before they can be fulfilled. Staff is inadequate; there is a great paucity of trained staff. Last week there has been considerable difficulty over a certain type of operators who have suddenly gone on strike without notice and they have practically brought half the press to a standstill. We are also having other labour difficulties. That is really the reason why printing work has been delayed. Every effort is being made to try and find out alternative means of getting the work done. Considerable amount of ordinary work is being sent to Simla and other places where the Press is not on strike. Every possible effort is made to get some work done in private Presses. With all that, I am sorry that we are not able to cope with the work as expeditiously as we would like to.

Mr. Ahmed E. H. Jaffer: May I ask the Honourable Member whether he is aware of the fact that we have not to this day received the index of the proceedings of the last budget session, and may I know whether we may expect it or give up hopes altogether?

Mr. B. K. Gokhale: I am not aware whether this particular publication has not been printed yet.

Mr. Sasanka Sekhar Sanyal: Is it not a fact that the Chairman of the Banking Bill Select Committee repeatedly requested the Honourable Member for getting the printing of evidence expedited, and may I know whether this acute state of things was represented to the Chairman?

Mr. Deputy President: The Honourable Member knows full well that the witnesses did not send in a signed copy of their evidence for a very long time.

Mr. Manu Subedar: May I know with regard to the answer given to (a), whether even three weeks, which was the case before the war, is not considered too much, and whether some attempt cannot be made by Government to reduce these normal three weeks to about a week in the case of Assembly debates as such? One week is adequate for any efficient Government to produce this report if they could make the proper arrangements. Will Government consider this matter?

Mr. Sasanka Sekhar Sanyal: Hand the work over to private Presses. They will do it better.

Mr. B. K. Gokhale: The actual time is four to sixteen weeks and every effort will be made to try and reduce it.

Seth Govind Das: Is this rumour true that the Government is thinking to have an entirely separate Press for printing the material of the Central Legislature?

Mr. B. K. Gokhale: I have not heard of any such proposal.

Seth Govind Das: Will the Government consider the advisability of having an entirely separate Press for the Central Legislature as the work is going on increasing?

Mr. B. K. Gokhale: I will certainly place the matter before the Government.

Mr. Sasanka Sekhar Sanyal: Why does not the Government take the help of private Presses?

Mr. B. K. Gokhale: I have already said that every possible effort is made to put out printing work with private Presses.

COMPLAINTS AGAINST THE WORKING OF INDIA HOUSE IN LONDON

159. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable the Commerce Member please state whether Government are aware of the complaints from various quarters against the working of the India House in London and if so, whether

Government propose to consider the question of improvements in the functioning of the India House?

(b) Are Government aware that there is dissatisfaction amongst students in London with regard to arrangements made for their accommodation in London and Provincial Universities?

(c) Are Government aware that scores of Indian students are experiencing inconvenience because of lack of accommodation and the strain of living in tents and camps under severe weather conditions?

(d) Are Government aware that queries are not properly answered by officials who make students wait for hours before granting them interviews?

(e) Are Government aware that there is no arrangement at the India House for proper information to be given to students and that the information that is given is often incomplete?

(f) Are Government aware that the students have asked for a room at the India House as a central meeting place for Indian students and if so what has happened to their request?

(g) What steps do the Government of India propose to take to satisfy Indian students in London in the above matters so that no inconvenience may be caused to them in any way?

The Honourable Mr. I. I. Chundrigar: (a) and (b) It is difficult to make any general statement on this subject. Complaints have however been received by the High Commissioner regarding the working of the General and Education Departments in his office, and these complaints are being investigated together with proposals for strengthening India House with a view to its adequately shouldering the greatly increased work and responsibilities that have developed on it during the post-war period. Discussions to this end are proceeding with the Deputy High Commissioner who is now in India for this purpose.

(c) and (e) Some students have expressed a certain amount of dissatisfaction regarding the arrangements made for their accommodation in London and Provincial Universities. This is largely due to the difficulty in obtaining adequate accommodation for students in United Kingdom and is not peculiar to Indian students. It is also a problem that is causing the greatest concern to educational authorities in Great Britain, and is mainly due to the general housing shortage in that country at the moment.

(d) Not so far as Government are aware, but they would be prepared to have any specific complaints that may be brought to their notice carefully examined.

(f) The answer to this question is in the negative. Very large numbers of students, particularly fresh arrivals, have to be interviewed by officers of the Education Department as well as the Deputy High Commissioner and the High Commissioner. These interviews take time and in the nature of things students have to wait before they are called up. A comfortable lounge has however been provided for the students in India House.

(g) Not so far as Government are aware, but they would be prepared to have any specific complaints that may be brought to their notice carefully examined.

Dr. Zia Uddin Ahmad: Is Government contemplating to have a special House in London for the accommodation of Indian students similar to 21, Cromwell Road?

The Honourable Mr. I. I. Chundrigar: Government is making efforts to secure another house in London for the use of Indian students. I am not in a position to say whether it will be similar to the Hostel at 21, Cromwell Road.

Mr. Ahmed E. H. Jaffer: If such is the sorry state of affairs for these Indian students already in London, may I enquire what steps will Government take to provide suitable accommodation for those students who are shortly leaving India for London?

The Honourable Mr. I. I. Chundrigar: Accommodation is very difficult to obtain, but every possible effort will be made to secure accommodation for these students when they reach London.

RESOLUTION OF U. N. O. AND INDIA'S RELATIONS WITH GOVERNMENT OF FRANCO SPAIN.

160. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable Member for External Affairs please state if the Government of India as a member of the United Nations Organisation have acted on the recommendation of that Assembly that all members of the United Nations Organisation should cease to have diplomatic, commercial and other relations with the Government of Franco Spain?

(b) Will Government please state what is the extent of India's Commercial and Diplomatic intercourse with Franco Spain?

(c) Have Government passed any orders in this connection to Indian bodies concerned, in view of the Resolution passed by the United Nations Organisation Assembly?

The Honourable Pandit Jawaharlal Nehru: (a) The Resolution of the United Nations General Assembly recommended the withdrawal of Ambassadors and Ministers from Spain. As there is no Indian Ambassador or Minister in Spain, no action is required by the Government of India on this Resolution.

(b) The Spanish Government have one Consul and two Vice-Consuls in India. There are no representatives of the Government of India in Spain. In 1945-46 goods to the value of Rs. 1,38,96,200 were exported from India to Spain, and goods to the value of Rs. 9,63,384 were imported from Spain.

(c) Does not arise.

Mr. Ahmed E. H. Jaffer: Is the Government of India going to send any Ambassador to Spain in the near future?

The Honourable Pandit Jawaharlal Nehru: The Government of India have no intention of sending any Ambassador or Minister to Spain so long as the present conditions continue in Spain.

Sardar Mangal Singh: Is there any representative from Spain in India?

The Honourable Pandit Jawaharlal Nehru: I have just answered that question. The Honourable Member was not following. I said: "The Spanish Government have one Consul and two Vice-Consuls in India".

RELAXATION OF RULES GOVERNING IMMIGRATION OF INDIANS TO U.S.A.

161. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable Member for External Affairs please place in the library of the House a copy of the Rules and Regulations regarding Immigration of Asiatics to the United States of America?

(b) What is the number of Indians permitted to enter the United States of America under the New Law governing immigration of Asiatics to the United States of America?

(c) What is the number of applications from India for emmigration to the United States of America during the last 12 months?

(d) Do Government propose to request the Government of the United States of America to further relax the laws governing Immigration of Indians to the United States of America?

The Honourable Pandit Jawaharlal Nehru: (a) A copy of the American Immigration and Nationality Laws has been placed in the library of the House.

(b) One hundred per annum.

(c) Since the passing of the relevant Public Law in July last, it is understood that 66 applications have been received by the United States Government from Indians resident in India and 35 from Indians resident elsewhere.

(d) The attention of the Honourable Member is invited to part (c) of my reply today to Seth Govind Das on this subject.

TREATY OF TRADE AND NAVIGATION WITH UNITED STATES OF AMERICA

162. *Sardar Mangal Singh: Will the Honourable the Commerce Member please state:

(a) the progress that has been made in the negotiation for the treaty of trade and navigation with the United States of America; and

(b) wheather Government of India propose to move in the matter and expedite the comple ion of these negotiations at an early date?

The Honourable Mr. I. I. Chundrigar: (a) and (b) Neither of the Governments concerned has taken any step to revive the negotiations for the conclusion of a treaty of Commerce and Navigation between India and the United States. The Government of India feel that the opportune moment for moving in the matter has not yet arrived.

Sardar Mangal Singh: May I know, since this matter has been pending for several years, whether the Government of India contemplate to move in the matter and how will they move?

The Honourable Mr. I. I. Chundrigar: The Honourable Member may be aware that the International Trade Conference is to be held at Geneva and that at that Conference the United States of America desire to negotiate tariff concessions with the various countries, including India. Negotiation of a treaty on a bi-lateral basis does not therefore seem to be opportune at the present moment.

QUOTA OF EMIGRANTS FROM INDIA TO U.S.A.

163. *Sardar Mangal Singh: (a) Will the Honourable Member for External Affairs please state what is the annual quota of emigrants from India to the United States of America?

(b) How the personnel of this annual quota will be determined and when the first instalment is likely to be selected?

The Honourable Pandit Jawaharlal Nehru: (a) One hundred per annum.

(b) Selection is being made now by the United States Government from applicants who qualify according to the provisions of the American Law, applicable to all immigrants of any nationality.

Sardar Mangal Singh: May I take it that the decision will be taken by the United States Government and the Government of India will have no say in the matter?

The Honourable Pandit Jawaharlal Nehru: This is entirely a matter for the United States Government, as of any other Government, as to whom they may take. Questions may arise in regard to which the Government of India may like to put their view point before the United States Government. No doubt if they feel that some matters should be brought before the United States Government or some other reference should be made, it will be done.

ARRANGEMENTS FOR THE RETURN OF S. AJIT. SINGH FROM GERMANY

164. *Sardar Mangal Singh: (a) Will the Honourable Member for External Affairs please state when the arrangements will be completed to bring back Sardar Ajit Singh from Germany?

(b) Whether Government are aware that Sardar Ajit Singh requested the Indian Military Mission in Germany to move him to a warm place before the winter came in otherwise his health would be seriously affected in cold weather?

(c) Whether the Indian Military Mission moved in the matter in time and if not, why not?

(d) What is his present state of health and what arrangements have been made for his treatment in Germany or elsewhere?

The Honourable Pandit Jawaharlal Nehru: (a), (b), (c) and (d) It is true that Sardar Ajit Singh requested the Indian Military Mission to move him to a warm place before the winter. The Indian Military Mission agreed to his request and forwarded it to the military authorities concerned. But, probably on account of his impending repatriation, he remained in his original hospital until he was sent to England on his way to India. At his request he was permitted to extend his stay in London where he has been receiving further treatment. He is expected to complete his journey to India soon.

INDIA'S QUOTA OF REPARATIONS FROM GERMANY

165. *Mr. Vadilal Lallubhai: Will the Honourable the Commerce Member please state :

(a) whether the Government of India have exhausted their quota of reparations from Germany, if so, how ;

(b) if not, how much portion of it have the Government of India exhausted and how much remains and how do they propose to utilise it ;

(c) whether the Government of India have received any report from private individuals and bodies as to the plant and machinery that would be available to India and would be useful to India in the development of her industries ; if so, what action have they taken thereon ;

(d) whether Government are aware that some of the German plants like rolling and ball-bearing plants, cycle manufacturing plant, Textile Machinery manufacturing plants, and big presses for making forgings which would be useful for India are available in Germany; and

(e) if so, whether Government will try to make them available by way of India's quota in German reparations ?

The Honourable Mr. I. I. Chundrigar: (a) and (b). Under the Paris Agreement on German reparations, India has been allotted 2 per cent. of general reparations called category 'A' and 2.9 per cent. of industrial and other capital equipment called category 'B'. Against her category 'B' share of reparation India has so far been allocated two German plants and eight machines out of a third plant of the aggregate value of 2,429,800 R. M. The total value of German reparation under both the categories has not yet been determined and it is, therefore, not possible to say what portion of India's category 'B' share of reparation has been exhausted and how much of it is still available. It is proposed to obtain capital goods to the fullest extent possible against India's share. No allocations under category 'A' general reparation—have yet been made to member countries of the Inter Allied Reparations Agency.

(c) Suggestion regarding plants and machinery needed by India have been received by Government from private bodies from time to time and due consideration has been given to these suggestions in making bids for German capital equipment declared available for reparation delivery.

(d) and (e). Three lists of German plants declared available for reparation delivery have so far been received by Government and a ball-bearing plant figures in one of these lists. The question whether this plant should be bid for is now under consideration. So far no cycle manufacturing plants, textiles machinery manufacturing plants etc., have been declared available as reparations from Germany. In view of India's great need for machine tool manufacturing plants every effort is being made to obtain as many of them as possible by way of reparation.

Mr. Vadilal Lallubhai: Is it a fact that other nations have already removed their plants which they got as reparations, whereas India has not?

The Honourable Mr. I. I. Chundrigar: India has not yet removed her plants. I am not aware as to how far the other statement of the Honourable Member is correct, *viz.*, that other nations have already removed their plants.

Mr. Vadilal Lallubhai: Will the Honourable Member enquire into the matter?

The Honourable Mr. I. I. Chundrigar: Yes, I shall inquire into the matter.

Mr. Manu Subedar: Will the Honourable Member give some information to the House, if he has got it ready, as to what happened to the two ships which were offered to India, which India refused to take, because they were not seaworthy or otherwise useful and whether something really useful has been taken from the United Kingdom (who took away many more ships) for use by India in order to replenish her very slender commercial navy?

The Honourable Mr. I. I. Chundrigar: This point was raised by the Honourable Member earlier to-day when I was dealing with a previous question. As I said before I require notice of it and I shall certainly make enquiries.

Mr. Vadilal Lallubhai: Is it a fact that the Technicians have made a report to the Government and will the Government of India make the report available to the general public for the benefit of the industries and commerce of this country?

The Honourable Mr. I. I. Chundrigar: The reports submitted to Government by the Technicians are somewhat of a confidential nature and it will not be possible to publish these reports at this stage. As soon as the plants are allocated to India, it may be possible to give information about them to the public.

Mr. Vadilal Lallubhai: Is it not a fact that other Governments have published the reports which they had received from their technicians for the benefit of the industries and commerce of those countries and in view of that fact, will the Government of India publish these reports for the benefit of the trade and industries of this country?

The Honourable Mr. I. I. Chundrigar: I am not aware of the correctness of the Honourable Member's statement but I shall gladly enquire into the matter.

REPRESENTATIONS FROM INSURANCE COMPANIES FOR LOWERING THE LEVEL OF TAXATION

166. ***Mr. Vadilal Lallubhai:** (a) Will the Honourable the Commerce Member please state whether Government have received representations from insurance associations for lowering the level of taxation from 60 pies in the rupee to 45 pies and to reduce the percentage of funds to be invested in Government and approved securities from 55 per cent to 45 per cent?

(b) Has the Secretary of the Commerce Department according to his promise recently made in Bombay urged Government in this respect?

(c) Is it a fact that foreign exchange banks refuse to accept policies issued by Indian Insurance Companies?

(d) If so, have the Central Government taken up the question with Foreign Exchange Association, London and if so, with what effect?

(e) If not, do Government propose to do so in the interest and prestige of the Indian Insurance business?

The Honourable Mr. I. I. Chundrigar: (a) and (b). Representations bearing on the points mentioned by the Honourable Member have been received and these are now under the consideration of Government.

(c) and (d). Government have been informed that some foreign exchange banks have refused to accept policies issued by certain Indian insurers. On

enquiry it has been ascertained that these banks have had no say in the matter and that they have only acted in accordance with instructions from their clients who open Letters of Credit. The matter is however being taken up again with the Reserve Bank of India.

(e) Though the question does not arise in view of what I have already stated, I may assure the Honourable Member that Government will do all that lies in their power to further the interests and uphold the prestige of Indian Insurance.

Mr. Manu Subedar: May I know whether Government have not found cases (because I have found them) where a client wants to give the policy of an Indian company and the Exchange Bank says that they could not take up these policies, as the particular company is not included in the list of companies whose policies they could take? Will Government please inquire into the matter?

The Honourable Mr. I. I. Chundrigar: I have not come across a case of this type and if the Honourable Member supplies me with particulars of the case, I shall certainly look into it.

EXPORT OF CHILLIES

167. ***Shri D. P. Karmarkar:** Will the Honourable the Commerce Member be pleased to state :

(a) whether the ban on export of chillies has been lifted, and if so, from what date;

(b) the quantity of chillies exported since the ban was lifted ;

(c) whether Government are aware that the unrestricted export of chillies has tended towards increase in price resulting in hardship to the poor classes of the population ; and

(d) whether Government propose to re-impose the ban to make chillies available at a cheaper price ?

The Honourable Mr. I. I. Chundrigar: (a) The ban on export of chillies was lifted on 3rd November 1945 but was re-imposed on 22nd June 1946.

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

Shri D. P. Karmarkar: Is it a fact that after about four months the ban was again lifted in the month of September?

The Honourable Mr. I. I. Chundrigar: No, it was not lifted.

Shri D. P. Karmarkar: Is the Honourable Member aware that this fact was published in the *Indian Trade Bulletin*? Will the Honourable Member make further enquiries in the matter?

The Honourable Mr. I. I. Chundrigar: If the Honourable Member brings to my notice the publication he refers to I shall certainly make enquiries.

EXPORT OF TAMARIND

168. ***Shri D. P. Karmarkar:** Will the Honourable the Commerce Member be pleased to state :

(a) whether it is a fact that the ban on the export of Tamarind has been lifted and if so, since when ;

(b) the quantity of Tamarind exported since the ban was lifted and to what countries ;

(c) whether Government are aware that unrestricted export of Tamarind has resulted in increase of prices of Tamarind within the country ; and

(d) whether Government propose to re-impose the ban on the export of Tamarind with a view to making it available at a cheap price within the country ?

The Honourable Mr. I. I. Chundrigar: (a) Yes. The ban on the export of Tamarind was lifted with effect from the 3rd November 1945.

(b) Figures for export of fruits and vegetables other than potatoes and onions, are recorded together in the 'Seaborne Trade Accounts' as well as in the monthly returns sent by the Export Trade Controllers. It is, therefore, not possible to give separate figures for exports of tamarind.

(c) The only report in regard to increase in prices was received from the Bombay Government who were informed that control on this commodity as well as other unimportant food items was removed after the war was over in order to utilise the first opportunity of expanding the country's exports and to capture the foreign markets before other producing countries re-entered the export trade, and that small price fluctuations in the local market should not be allowed to stand in the way of India's commercial progress. The Bombay Government have not approached the Government of India again in the matter.

(d) The Government do not propose to re-impose the ban on the export of tamarind at present.

IMPORT OF MR. HICKS TO DESIGN CIVIL AVIATION BUILDINGS

†169. ***Maharajkumar Dr. Sir Vijaya Ananda:** Will the Secretary of the Works, Mines and Power Department be pleased to state if it is a fact that one Mr. Hicks has been imported on contract for five years to design the Civil Aviation buildings on a high salary?

Mr. B. K. Gokhale: Mr. Hicks has been appointed, as Senior Architect, in the Central Public Works Department on contract for a period of five years from October 1946 on a salary of Rs. 1,400 per mensem plus £30 Overseas pay, for designing Civil Aviation Buildings.

EXPORT OF JUTE

170. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable the Commerce Member please state if it is a fact that on September 30th last the Government of India announced continuation of control over Export prices of Jute and Jute goods?

(b) Is it a fact that one of the reasons given was Government's responsibility for the supply of packing material at a reasonable price to all countries of the world, so that a free flow of food grains from surplus to deficit areas may not be impeded?

(c) What is the position at the present moment?

(d) Has price control ended?

(e) Is it a fact that the quota system has been continued by Government with the result that there is at the present moment a vast accumulation in Calcutta of the jute goods for which overseas markets are waiting?

(f) Are Government aware that shippers are at present greatly hindered financially while mills' operations are greatly hampered?

(g) What are the reasons for putting such restrictions on export?

(h) Are Government aware that the goods lying idle in Calcutta could bring in dollars in vast quantity which India badly needs?

(i) What is Government's policy regarding the export of Jute to world markets?

The Honourable Mr. I. I. Chundrigar: (a) and (b). Yes.

(c) and (d). With the withdrawal by the Central Government of their Export Price Control Order on the 23rd October 1946, the position is that there is now no control, whether over internal or external prices, in respect of both raw jute and jute goods.

(e), (f), (g), (h) and (i). In view of the very short crop of jute in 1946 and the fact that available supplies, both of fibre and manufactured goods, was expected to fall considerably short of world requirements, the Government of India have found it necessary to continue the system of regulating exports

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

on the basis of destinational quotas with a view to ensuring equitable distribution of this essential commodity and also assisting the trade to preserve its contacts with its old markets. Government received some complaints regarding accumulations of stocks but the latest review of the stocks with the mills does not disclose any abnormal accumulation and that the present position is by no means unsatisfactory if regard is had to the stock position in previous years. I should like to add that in fixing destinational quotas for various countries, all relevant factors have been taken into account and that a very fair share of the supplies that are available has been placed at the disposal of countries in the dollar bloc.

Dr. Zia Uddin Ahmad: What is the policy of the Government as regards the export of those commodities where the differences between the internal and external prices are very abnormal? Will the Government themselves undertake to export in that case or have they any other policy?

The Honourable Mr. I. I. Chundrigar: The question does not arise about jute because there is no control on the price of jute in this country. There is no control either on the internal or the export price of jute and therefore the question does not arise in this case.

Dr. Zia Uddin Ahmad: I am not talking about control. I want to know what is the policy of the Government where there is abnormal difference between the internal price of a commodity in this country and its external price, that is price in the country to which it is exported?

The Honourable Mr. I. I. Chundrigar: That is a hypothetical question so far as jute is concerned. It may arise in the case of those articles over which there is a price control in the country. That question is under examination.

Mr. Geoffrey W. Tyson: With reference to part (e) of the question and the Honourable Member's reply in which he stated that the position was not unsatisfactory having regard to the position in previous years, will he please say what previous years he has compared the present position with—whether they were war years or pre-war years?

The Honourable Mr. I. I. Chundrigar: The immediate comparison is with the figures of 1944 and 1945.

Mr. Geoffrey W. Tyson: Does the Honourable Member regard as satisfactory the comparison with 1944 and 1945?

The Honourable Mr. I. I. Chundrigar: There was no complaint in 1944 and 1945 of the accumulation of stocks, and if the stocks today are lower than they were in 1944 and 1945 there is no reason why there should be a complaint now.

Mr. Geoffrey W. Tyson: Will Government be pleased to re-examine the question and see whether there was in fact considerable complaint in 1944 and 1945 of an accumulation?

The Honourable Mr. I. I. Chundrigar: Government have examined the question and they do not feel that the complaint regarding the over-accumulation of stocks is justified.

Mr. Geoffrey W. Tyson: I am asking whether Government will re-examine the question.

The Honourable Mr. I. I. Chundrigar: Government have twice examined it only recently and there is no occasion to re-examine it.

INDIAN EMBASSIES IN FOREIGN COUNTRIES

171. ***Shri D. P. Karmarkar:** Will the Honourable Member for External Affairs be pleased to state:

(a) the countries where Indian embassies have been established;

(b) the status of these embassies;

(c) the names of the countries where embassies will be established in the near future ; and

(d) the functions with which these embassies have been entrusted ?

The Honourable Pandit Jawaharlal Nehru: (a) United States of America and China.

(b) Their status is the same as that of any other Embassy.

(c) The question of exchanging Diplomatic Missions with the U.S.S.R. and other countries in the near future is engaging the urgent attention of Government. No final decision regarding the countries in which Missions will be opened has yet been reached.

(d) The functions are similar to those of all Embassies, that is to say, all matters pertaining to India's relations with the countries concerned.

Mr. Ahmed E. H. Jaffer: Is it a fact, Sir, that an Ambassador is going to be appointed shortly for Canada?

The Honourable Pandit Jawaharlal Nehru: There is no question of appointing an Ambassador in Canada. But recently the Canadian Government announced that they are going to send a High Commissioner to India; and no doubt India will send a High Commissioner to Canada also later.

Mr. Ahmed E. H. Jaffer: May I ask whether these High Commissioners and Ambassadors are appointed by the Honourable Member himself or by the Cabinet or by the Federal Public Service Commission? How will they be selected?

The Honourable Pandit Jawaharlal Nehru: The practice is that in regard to these appointments the External Affairs Department recommends the name to the Member in charge and the name is sent by him to the Viceroy for his sanction.

Mr. Ahmed E. H. Jaffer: Is it the policy of the External Affairs Department to appoint Muslims who hold anti-Muslim League views in such appointments?

The Honourable Pandit Jawaharlal Nehru: It is our policy to appoint competent men, and the fact that a person is a Muslim Leaguer does not necessarily mean that he is competent.

Mr. N. M. Joshi: Is the Government of India aware that Great Britain and America appoint Labour Attaches in their Embassies in various countries in order that they should collect information and keep contact with the labour movement, and do the Government of India propose to appoint similar Labour Attaches in U.S.A. and China where Ambassadors have already been appointed?

The Honourable Pandit Jawaharlal Nehru: I am sorry I did not wholly catch the Honourable Member's question. So far as the question of appointing Labour Attaches is concerned, we certainly would like to appoint such Labour Attaches wherever needed, wherever conditions warrant such appointment. The Honourable Member will remember that the opening up of Embassies and Legations is something new for us and we have gradually to build them up. And if we appoint too large a number of persons on the staff of each Embassy or Legation we might not consolidate the position in regard to work so easily and there may be overlapping and waste of energy. But we certainly intend to appoint various types of Labour Attaches in countries where there is industrial development.

Mr. Ahmed E. H. Jaffer: May I take it that the Honourable Member has not been able to obtain a competent Muslim Leaguer and that Muslim Leaguers are all incompetent?

The Honourable Pandit Jawaharlal Nehru: I may assure the Honourable Member that I meant no such thing. If the House will recollect, so far there have been four appointments ever since I took charge of this office. Of the four appointments two were those of Ambassadors and two other appointments. One of the Ambassadors recently appointed, who has not taken charge yet, is a service appointment. In fact it is a continuation of the person who was there, that is, Mr. K. P. S. Menon in Nanking. He has been there for some years as the Government of India's representative, and he has been raised to the rank of Ambassador. It is therefore the continuation of a service appointment. Of the other three appointments, as the House knows, one of our colleagues in this House has been appointed Ambassador in the United States—Mr. Asaf Ali. Two other appointments were the representative in Burma and the representative in Goa. Both those appointments, as it happens, have gone to Muslims—Muslim gentlemen who are unconnected with any party or with politics, one might say, who are eminently fit and competent and who during the short period they have been there have justified themselves completely.

Mr. Ahmed E. H. Jaffer: Is it a fact that Mr. Shafaat Ahmed Khan is going to be appointed High Commissioner for Canada?

Mr. Deputy President: Order, order.

The Honourable Pandit Jawaharlal Nehru: Nobody has been marked out for Canada, but a person of the eminence of Sir Shafaat Ahmed Khan certainly will always be taken into consideration.

Babu Ram Narayan Singh: May I take it that the Cabinet as a whole has nothing to do with these appointments?

The Honourable Pandit Jawaharlal Nehru: This matter has not been a Cabinet matter in the past.

SUSPENSION OF POLITICAL AGENT, MALAKAND AGENCY AND DEPUTY COMMISSIONER DEHRA ISMAIL KHAN IN CONNECTION WITH INCIDENTS DURING THE HONOURABLE PANDIT JAWAHARLAL NEHRU'S FRONTIER TOUR

172. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable Member for External Affairs please state if it is a fact that Khan Bahadur Nawab Mahbub Ali, Political Agent, Malakand Agency and Khan Bahadur Khan Dilawar Khan, Deputy Commissioner, Dehra Ismail Khan have been suspended?

(b) Is it a fact that they have been suspended as a result of Pathan Tribesmen's attack on the Honourable Member last year during the Frontier tour, as is reported in the *Times of India* of 9th January 1947?

(c) Is it a fact that the Government of India have asked the Madras Government to lend the services of Justice R. Clark, Judge of the Madras High Court to inquire into the incidents during the Honourable Member's tour of the Frontier particularly at Malakand?

(d) What are the reasons for holding such an enquiry and whether the report when ready would be made public?

(e) Whether the public will be allowed to appear before his enquiry to place facts connected with the Honourable Member's tour, if not, why not?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) Khan Bahadur Nawab Mahbub Ali has been suspended pending an enquiry into his conduct in connection with the attack made at Malakand during my visit to the Frontier. Khan Bahadur Dilawar Khan, an officer of the N. W. F. P. Provincial Service has been suspended by the Provincial Government for reasons in no way connected with my visit.

(c) Mr. Justice Clark of the Madras High Court has been appointed to conduct a departmental enquiry into the conduct of Khan Bahadur Nawab Mahbub Ali Khan in regard to the incidents which occurred at Malakand. No enquiry into incidents elsewhere is contemplated.

(d) I have already stated the reason for the enquiry. The result of the enquiry will be made public, but as it is a departmental and not a public enquiry the Presiding Officers' report will not necessarily be published.

(e) The officer concerned is entitled under the rules to call such witnesses in his defence as he may wish.

Dr. Zia Uddin Ahmad: May I know if charges have been framed against any officers?

The Honourable Pandit Jawaharlal Nehru: Obviously, Sir, there is no enquiry without charges.

Dr. Zia Uddin Ahmad: If it is a departmental enquiry, as has been pointed out, and not a judicial enquiry, may I know why a judge of a High Court and not an officer of the department has been asked to conduct the enquiry?

The Honourable Pandit Jawaharlal Nehru: To ensure that the enquiry should be at the highest level.

Dr. Zia Uddin Ahmad: Why not a judicial enquiry then?

The Honourable Pandit Jawaharlal Nehru: After full consideration of the subject we decided that this was fairest to all parties concerned and the quickest way of dealing with it. In fact we gave all the advantages of a judicial enquiry to him without the disadvantages.

Khan Abdul Ghani Khan: Is it a fact that Khan Bahadur Dilawar Khan's suspension is for corruption?

Mr. Deputy President: Order, order. The question hour is over.

(b) WRITTEN ANSWERS

LABOUR EXCHANGES IN INDIA.

173. ***Mr. Hafiz M. Ghazanfarulla:** (a) Will the Honourable the Labour Member please state how many Labour Exchanges have been established in the United Provinces? What are their locations?

(b) What is the amount of expenditure on each of these establishments?

(c) How many people so far have got employment through these Exchange in each place?

The Honourable Shri Jagjivan Ram: (a) The total number of Employment Exchanges in the United Provinces is ten, and these are located at Agra, Allahabad, Almora, Bareilly, Cawnpore, Gorakhpur, Jhansi, Lansdowne, Lucknow and Meerut.

(b) A statement showing the estimated expenditure for the financial year 1946-47 is placed on the table. Under the Resettlement and Employment Scheme actual expenditure on Employment Exchanges in a province is shared between the Central and the Provincial Government in the ratio of 3:2. The share of the Central Government and the contribution to be made by the U. P. Government has accordingly been shown separately in the statement.

(c) A statement showing the number of persons registered at each of the Exchanges in the United Provinces and those placed in employment upto 31st December 1946 is placed on the table.*

Statement showing the estimated Expenditure on various Employment Exchanges in the United Provinces during the year 1946-47.

	Rs.
1. Regional Employment Exchange, Cawnpore	1,20,200
2. Sub-Regional Employment Exchange, Agra	37,800
3. Sub-Regional Employment Exchange, Allahabad	40,000
4. Sub-Regional Employment Exchange, Almora	42,400
5. Sub-Regional Employment Exchange, Bareilly	43,000
6. Sub-Regional Employment Exchange, Gorakhpur	48,300
7. Sub-Regional Employment Exchange, Jhansi	35,400
8. Sub-Regional Employment Exchange, Lansdowne	34,800
9. Sub-Regional Employment Exchange, Lucknow	44,700
10. Sub-Regional Employment Exchange, Meerut	32,100
Total	4,78,700
	Rs.
Provincial Government's contribution at 40%	1,91,500
Central Government's share	2,87,200

Statement showing the number of persons registered at the Employment Exchanges in the U. P. and the number of persons placed in employment by those Exchanges upto the 31st December 1946.

Exchanges	Registration	Placings
1. Agra	5,346	940
2. Allahabad	6,821	2,099
3. Almora	4,477	772
4. Bareilly	5,957	980
5. Cawnpore	20,809	9,015
6. Gorakhpur	12,408	1,528
7. Jhansi	3,882	1,012
8. Lansdowne	4,230	889
9. Lucknow	9,305	2,006
10. Meerut	8,068	1,137
Total	81,303	20,378

Percentage of Placings to Registrations. 25%

EXPORT OF MINERAL ORES

174. *Mr. P. K. Salve: (a) Will the Secretary of the Works, Mines and Power Department please state whether it is the policy of Government to dig up the Mineral Ores and send them abroad?

(b) What quantities of Mineral Ores, Manganese, Coal, Iron, Bauxite, Mica, Thorium, Titanium have been sent abroad from India during the last four years?

(c) Have Government made any plans to convert the raw mineral Ores into finished products in this country before sending them abroad? If so, what are they?

(d) Have Government designed any machinery to investigate our mineral possibilities by scientific prospecting? If not, do Government propose to do so now?

(e) Do Government propose to adopt the policy that our foreign trade, as far as possible, must be limited to finished products and should not include convertible raw materials?

Mr. B. K. Gokhale: (a) No Sir. The policy of Government is to promote the conservation, exploitation and utilisation of the mineral resources of the country in the national interest.

(b) The statistics of export which are readily available are noted below although their accuracy cannot be guaranteed:

Manganese	1,468,915 tons (1942-43 to 1945-46)
Coal	737,217 tons (ditto)
Iron	practically nil
Mica	542,528 cwts (ditto)
Monazite	4,614 tons (ditto)
Bauxite	} Not separately specified in the trade return.
Titanium	

(c) A National Mineral Policy Conference was held at New Delhi on the 10th and 13th January 1947. This was attended by a large number of representatives of industry, commerce, labour and other interests as well as by representatives of Provincial and States Governments at Ministerial level. The question of formulation of a mineral policy is now under consideration. But the conversion of raw mineral ores into finished products in this country depends on the progress of industrialisation and various other considerations over which Central Government have little control. Nor is it easy to make detailed plans in the absence of expert assistance which might have been available if any such organization as a Bureau of Mines had been in existence.

(d) Scientific prospecting of minerals has been carried out by Government for many years through the Geological Survey of India. This is being expanded to several times its pre-war strength, and new methods, such as geophysical prospecting and deep drilling, are being or will shortly be utilised. Steps will soon be taken to carry out a Geological and Physico-Chemical Survey of the uranium bearing minerals of India by the Geological Survey of India in collaboration with the Council of Scientific and Industrial Research. Government have also appointed a Committee to draw up a plan for a Central Geophysical Institute.

(e) The question of policy is still under consideration, but I am sure most people will agree with the policy as stated by the Honourable Member, as far as possible.

EXPENDITURE ON THE PROPOSED KOSI SCHEME

175. ***Babu Ram Narayan Singh:** Will the Secretary, Works, Mines and Power Department be pleased to state:

- (a) whether the proposed Kosi scheme has finally been sanctioned;
- (b) the details of the work to be done according to the scheme;
- (c) the estimated amount of expenditure; and
- (d) the period within which it is expected to be completed?

Mr. B. K. Gokhale: (a) The scheme has not yet been sanctioned. Preliminary surveys and investigations are being carried out by the Central Waterways, Irrigation and Navigation Commission. The scheme will be sanctioned if, on receipt of the project report, it is found that the scheme is technically and financially sound.

(b) Details have not yet been worked out. According to the preliminary report prepared by the Central Waterways, Irrigation and Navigation Commission, the main features of the scheme will be as follows:

(i) Construction of a dam about 750 feet high across the Chatra Gorge in Nepal,

(ii) Installation of power plant at the dam site,

(iii) A barrage in Nepal across the Kosi some distance below its debouch into the plains,

(iv) A second barrage near the Nepal-Bihar border with two canals on the right bank,

(v) Provision of navigational facilities from the Kosi Reservoir to the Ganges

(c) Roughly Rs. 90 crores.

(d) About ten years.

• PROPOSED DAMODAR SCHEMES

176. *Babu Ram Narayan Singh: Will the Secretary, Works, Mines and Power Department be pleased to state:

(a) the stage the proposed Damodar scheme has reached;

(b) the amount of expenditure that has hitherto been incurred;

(c) the attitude of the people to be affected by the Scheme;

(d) protest if any against the Scheme received by Government; and

(e) Government's reaction on receipt of the protest?

Mr. B. K. Gokhale: (a) A preliminary memorandum on the Unified Development of the Damodar River was published early in 1946. Preliminary project reports in respect of three out of the eight dams proposed in the Schemes have since been completed. Tentative agreement has been reached between the Provincial Governments concerned and the Central Government with regard to the financing of the Scheme, the resettlement of the displaced population and the setting up of a Damodar Valley Corporation by an Act of the Central Legislature. The matter is expected to be finalised at a Conference to be held on the 15th February 1947 between representatives of the Government of India, the Governments of Bengal and Bihar and other interests.

(b) About Rs. 8½ lakhs.

(c) Both Bengal and Bihar realise that the Scheme is in the ultimate interest of the people of these Provinces—although Bihar's approval is naturally subject to satisfactory arrangements being made for the resettlement of the population in areas which are likely to be submerged.

(d) No direct protest has been received by Government. There was, however, an adjournment motion on the subject in this House during the last budget session. The motion was withdrawn on an assurance that, when Government had come to some definite conclusion, they would circulate a paper to the House embodying their conclusions. This will be done as soon as agreement has been reached between the Governments concerned.

FERTILISER FACTORY AT SINDHRI

177. *Babu Ram Narayan Singh: Will the Honourable the Labour Member be pleased to state:

- (a) the stage the proposed Scheme of establishing a Fertiliser factory at Sindhri near Dhanbad has reached; the estimated amount to be required; and
(b) the period within which it is expected to be completed?

The Honourable Shri Jagjivan Ram: The question should have been addressed to the Honourable Member for Industries and Supplies. It has accordingly been transferred to the list of questions for the 17th February, 1947, when it will be answered by the Honourable Member for Industries and Supplies.

UNSTARRED QUESTIONS AND ANSWERS

DISABILITIES ON BRITISH INDIANS IN SOUTH AMERICA.

33. **Seth Govind Das:** Will the Honourable Member for External Affairs be pleased to lay on the table of the House a statement showing the total British Indian population and the social, political and other disabilities imposed on them as compared to Britons or citizens of other European countries in the various countries of South America?

The Honourable Pandit Jawaharlal Nehru: The Government of India has no up to date information on the number of British Indians in South America. The latest known figures are as follows:

	Population		Year of Estimate of Indian population
	Indians	Total	
British Guiana	157,185	361,754	1942
Dutch Guiana	54,353	191,628	1944
Brazil	2,000	43,250,000 (1941)	1931

2. There is no discrimination against persons of Indian descent. Municipal and political franchise, rights of property and of citizenship generally are understood to be enjoyed by all, irrespective of race or creed. But in British Guiana marriages performed by Hindu or Muslim rites are required to be registered by the parties if they are to be recognised by the State. No such registration is required there in the case of marriages by a Christian Minister or a Civil Magistrate. Bills to amend the law in regard to the marriage of Hindus and the marriage and divorce of Muslims are at present under the consideration of the Government of the Colony. As regards the cremation of Hindus in British Guiana, the Government of the Colony have stipulated certain conditions in the interests of sanitation and hygiene, which in some respects are unacceptable to the local Hindu population. Representation on their behalf has been made to His Majesty's Government.

EXPENDITURE ON THE FEDERAL COURT

34. **Mr. Sasanka Sekhar Sanyal:** Will the Honourable the Leader of the House be pleased to state:

(a) the number of cases that have come up before the Federal Court during the year 1946, separately mentioning the number of cases that have been actually decided by the said court during the said period;

(b) the number of days that the said court actually sat during the said period;

(c) the annual expenditure that is made for the maintenance of the said court and its offices showing roughly the heads and classes of such expenditure; and

(d) the steps that are being taken or are under the contemplation of Government for making the Federal Court a substitute Court for the Privy Council and for enlarging the powers of the said Federal Court?

The Honourable Pandit Jawaharlal Nehru: (a) Fifteen appeals were filed during the calendar year 1946. The Court actually heard 14 cases but delivered judgment in 11 cases.

(b) 26 days.

(c) The annual expenditure on the maintenance of the Court and its offices amounts to about Rs. 3 lakhs and it is incurred on the sub-head given below:—

- (1) Pay of Officers.
- (2) Pay of Establishments.
- (3) Other Charges.

(d) No immediate action in this direction is contemplated. The Honourable Member is referred to the replies to his starred question No. 138 of the 31st October 1946 and to Seth Govind Das' starred question No. 261 of the 6th November 1946.

COPIES OF LABOUR LEGISLATION IN THE LIBRARY OF THE CENTRAL LEGISLATURE

35. Mr. Vadilal Lallubhai: Will the Honourable the Labour Member be pleased to state whether, in view of the fact that this Assembly is considering various pieces of Labour Legislation in this country, Government propose to make available in the Library of the Central Legislature for the use of all Members all pieces of Labour Legislation enacted in various countries?

The Honourable Shri Jagjivan Ram: The texts of the most important laws and regulations affecting labour adopted in the different countries are reproduced in the Legislative Series of the I. L. O. and copies thereof are regularly supplied to the Library of the Central Legislature.

ELECTION OF A MEMBER TO THE COURT OF THE DELHI UNIVERSITY.

آنریبل مولانا ابوالکلام آزاد : جناب میں جو تجویز پیش کر رہا ہوں وہ یہ ہے -

دہلی یونیورسٹی ایکٹ ۱۹۲۲ (VIII of 1922) جو کہ دہلی یونیورسٹی

املذمت ایکٹ ۱۹۳۳ سے ترمیم کیا گیا ہے اسکے سیکشن ۱۸ سب سیکشن (۱) کی دفعہ (۱۳) کی رو سے جسکو یونیورسٹی Statutes کے Statute نمبر ۲ کی دفعہ (۵) کے ساتھ جو آخری ایکٹ کے Schedule میں داخل ہے پڑھا جائے - اس اسمبلی کے چنے ہوئے ممبران کو اپنی تعداد میں سے ایک شخص کا چناؤ دہلی یونیورسٹی کورٹ کی ممبری کے لئے آنریبل مسٹر لیاقت علی خاں کی جگہ کرنا چاہیو۔ یہ انتخاب اسی طریقے سے ہوگا جو آنریبل پریزیڈنٹ اسکے لئے منظور کرینگے۔

جیسا کہ اس ہاؤس کے آنریبل ممبران کو معلوم ہوگا دہلی یونیورسٹی ایکٹ ۱۹۲۲ء کی رو سے سنٹرل لیجسلیچرز (Legislatures) کو یہ حق دیا گیا ہے کہ وہ دہلی یونیورسٹی کورٹ کے لئے چند ممبران کا انتخاب کرے چنانچہ گزشتہ سال جو ۲۰ فروری کو آنریبل مسٹر لیاقت علی خاں کا اس غرض سے چناؤ ہوا تھا وہ اب مستعفی ہو گئے ہیں - انکی جگہ بقیہ term کے لئے اب ایک نئے ممبر کا انتخاب ہونا چاہئے

(English Translation of the above)

The Honourable Maulana Abul Kalam Azad (Member for Education and Arts): Sir, I move:

"That in pursuance of Clause (xiv) of sub-section (1) of Section 18 of the Delhi University Act, 1922 (VIII of 1922) as amended by the Delhi University (Amendment) Act, 1943 (XXIV of 1943), read with clause (5) of Statute 2 of the Statutes of the University set out in the Schedule to the latter Act, the elected members of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, one person from among their own number to be a member of the Court of the University of Delhi vice Honourable Mr. Liaquat Ali Khan resigned."

Honourable Members of the House are aware that Delhi University Act 1922 entitles the Central Legislatures to elect a few members to the Court of the Delhi University. Accordingly, on the 20th February last year the Honourable Mr. Liaquat Ali Khan was elected. He has now resigned and a member should be elected in his place for the rest of the term.

Mr. Ahmed E. H. Jaffer (Bombay Southern Division: Muhammadan Rural): What about translation to the European Group?

Mr. Deputy President: Order, order. Motion moved:

"That in pursuance of Clause (xiv) of sub-section (1) of Section 18 of the Delhi University Act, 1922 (VIII of 1922) as amended by the Delhi University (Amendment) Act, 1943 (XXIV of 1943), read with clause (5) of Statute 2 of the Statutes of the University set out in the Schedule to the latter Act, the elected members of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, one person from among their own number to be a member of the Court of the University of Delhi vice Honourable Mr. Liaquat Ali Khan resigned."

Haji Abdus Sattar Haji Ishaq Seth (West Coast and Nilgiris: Muhammadan): Have I to speak in Urdu, so that my Honourable friend may understand?

Mr. Deputy President: If any Honourable Member is acquainted with English to the extent that he can talk in English and he has been talking in English, then he should make his speech in English. If he cannot speak English, then he is quite at liberty to speak in whatever language he chooses.

Haji Abdus Sattar Haji Ishaq Seth: I want to ask a question of my Honourable friend. I want to know whether he will understand it.

Mr. Deputy President: I understand that the Honourable Member does understand English so much that he will be able to follow the question but he may not be able to speak in English.

Khan Abdul Ghani Khan (North West Frontier Province: General): Chaudhri Sri Chand used to speak in Hindustani, although he knew English very well.

Haji Abdus Sattar Haji Ishaq Seth: The Honourable Member said that a member is to be elected for the balance of the period that was to be served by the Honourable Mr. Liaquat Ali Khan: What is the balance of the period?

آنریبل مولانا ابوالکلام آزاد: آنریبل مسٹر لیاقت علی خاں ۲۰ فروری ۱۹۴۶ء کو تین برس کے لئے دہلی یونیورسٹی کورٹ کے ممبر چنے گئے تھے۔ اب انہوں نے استعفیہ دیا ہے۔

The Honourable Maulana Abul Kalam Azad: The Honourable Mr. Liaquat Ali Khan was elected a member of the Delhi University Court for three years on the 20th February 1946. He has now resigned.

Mr. Deputy President: The question is:

"That in pursuance of Clause (xiv) of sub-section (1) of Section 18 of the Delhi University Act, 1922 (VIII of 1922) as amended by the Delhi University (Amendment) Act, 1943 (XXIV of 1943), read with clause (5) of Statute 2 of the Statutes of the University

set out in the Schedule to the latter Act, the elected members of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, one person from among their own number to be a member of the Court of the University of Delhi vice Honourable Mr. Liaquat Ali Khan resigned."

The motion was adopted.

Mr. Deputy President: I have to inform Honourable Members that the following dates have been fixed for receiving nominations and holding elections, if necessary, for the purpose of election of a member to the Court of the University of Delhi :

Date of nomination.—12th February, 1947.

Date for Election.—14th February 1947.

The nominations will be received in the Notice Office upto 12 noon on the date mentioned for the purpose. The election, which will be conducted in accordance with the Regulations for the holding of elections by means of the single transferable vote, will be held in the Assistant Secretary's room in the Council House. between the hours of 10.30 A.M. and 1 P.M.

INDIAN LEGISLATURE (PREVENTION OF DISQUALIFICATION) BILL.

The Honourable Mr. Jogendra Nath Mandal (Law Member): Sir, I move for leave to introduce a Bill to declare certain offices in the service of the Crown in India to be offices the holding of which does not disqualify the holder thereof for election as or continuance as a member of either Chamber of the Indian Legislature.

Mr. Deputy President: The question is:

"That leave be granted to introduce a Bill to declare certain offices in the service of the Crown in India to be offices the holding of which does not disqualify the holder thereof for election as or continuance as a member of either Chamber of the Indian Legislature."

The motion was adopted.

The Honourable Mr. Jogendra Nath Mandal: Sir, I introduce the Bill.

IMPORTS AND EXPORTS (CONTROL) BILL.

The Honourable Mr. I. I. Chundrigar (Commerce Member): I beg to move for leave to introduce a Bill to continue for a limited period powers to prohibit or control imports and exports.

Mr. Deputy President: The question is:

"That leave be granted to introduce a Bill to continue for a limited period powers to prohibit or control imports and exports."

The motion was adopted.

The Honourable Mr. I. I. Chundrigar: Sir, I introduce the Bill.

INDIAN RAILWAYS (AMENDMENT) BILL.

Mr. Deputy President: The House will now proceed with the further consideration of the following motion moved by the Honourable Dr. John Matthai on Wednesday, the 5th February 1947, namely:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

The Honourable Dr. John Matthai (Member for Railways and Transport): Sir, I do not want to make a speech at this stage, but there is just one matter that I would like to refer to. The remarks which were made on this Bill last week by my Honourable friend Mr. Sri Prakasa appeared to be based on a misunderstanding of the object of this Bill, and I want to explain very briefly

again what it is that we are aiming at. It is not a Bill for reducing the liability of the Railways, as my Honourable friend thought; it is a Bill really for enhancing their liability. In regard to most goods transported by railways, they have exactly the same liability as any person to whom goods are entrusted for a specific purpose under an agreement. But there is a certain small class of articles shown in the Schedule in regard to which their liability is limited. Here the general liability of railways is limited to articles not exceeding Rs. 100 in value. Beyond that, they will not be liable unless the articles are declared and insured. The point of this Bill is to increase the minimum value of articles for which insurance is required from Rs. 100 to Rs. 300 in accordance more or less with the change in the level of prices since this limit of Rs. 100 was fixed 57 years ago. It is a non-controversial Bill and I hope the House will have no difficulty in having it passed into law.

Mr. Deputy President: The question is:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

The motion was adopted.

Mr. Deputy President: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Shavax A. Lal (Government of India: Nominated Official): Sir, I move: "That in clause 1 of the Bill, for the figures '1946'; the figures '1947' be substituted."

Mr. Deputy President: The question is:

"That in clause 1 of the Bill, for the figures '1946', the figures '1947' be substituted."

The motion was adopted.

Clause 1, as amended, 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, as amended, be passed."

Mr. Deputy President: Motion moved:

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

Dr. Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I welcome this Bill as it corresponds to the suggestion that I have already repeatedly made on the floor of the House, namely, that the purchasing power of the rupee has now been reduced to one-third and I suggested that for each Rs. 100 Government should read Rs. 300. I am glad that Dr. John Matthai has taken the lead in the matter that instead of Rs. 100 we should read Rs. 300, and I hope this noble example will be followed by the Finance Member and by his colleagues in other Departments. I, therefore, whole-heartedly support this Bill.

Mr. Deputy President: The question is:

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

The motion was adopted.

RAILWAYS (TRANSPORT OF GOODS) BILL

The Honourable Dr. John Matthai (Member for Railways and Transport):

Sir, I move:

"That the Bill to confer for a limited period special powers for regulating the transport of goods on railways, be referred to a Select Committee consisting of Mr. M. A. F. Hirtzel, Shri Sri Prakasa, Shri D. P. Karmarkar, Shri Jagannath Das, Pandit Balkrishna Sharma, Mr. Muhammad Nauman, Khan Mohammad Yamin Khan, Sardar Mangal Singh, Rai Bahadur Devendra Mohan Bhattacharya and the Mover, with instructions to report on or before the 17th February, 1947, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

[Dr. John Matthai]

Sir, the purpose of this Bill is to secure legislative authority for continuing the control in regard to railway priority. The present railway priority organisation, which was started in 1942, functioned until last September by virtue of powers conferred by rules passed under the Defence of India Act. These powers expired last September, and since then the organisation has functioned by virtue of an Ordinance which was passed last September and which is due to expire on the 25th March. We are now, therefore, asking the Legislature to give us authority to continue this organisation beyond that date. Although it is proposed to continue the organisation, it is not proposed to continue it in the same fashion and on the same basis as at present. There has been some improvement in transport conditions since the termination of hostilities. While that improvement does not justify a complete elimination of control, it does justify a certain measure of relaxation of the control. At present the way in which the priority organisation works is this. It is a comprehensive control applicable to all articles. Practically all articles which are likely to be moved by railways are divided into various categories in order of priority in accordance with their relative importance from the national point of view. What is proposed now is, instead of a comprehensive control of that kind to have a limited and restricted control. Priority will be accorded to a small group of articles; all other articles will be moved in the ordinary course without priority. In other words, as against the present system under which practically all articles are accorded priority on a system of gradation, hereafter there will be one small group of priority articles all other articles being formed into a non-priority group. The articles which are included in the priority group will be accorded priority on a concurrent basis, that is to say, there will be no distinction in the matter of priority between one article and another included in this group.

It will be necessary in view of the restriction in the scope of control to make certain changes in the organisation required for administering this control. It may be possible to do with a less elaborate and less expensive organisation. If the House passes this Bill, that is a matter which the Government will have to consider.

I said, at the beginning, that the main purpose of this Bill, in view of the imminent expiry of the Ordinance, is to obtain legislative authority. But there is incidentally also another reason for bringing this Bill before the House. Any system of priority necessarily involves a certain amount of discrimination by the railways in the movement of goods. As the House is aware, there is a definite provision in the Railways Act which prohibits the exercise of undue preference by railways in the movement of goods. So that if the House passes this Bill, it would be necessary, during the period during which it is in force, to free the railways from the operation of the provision in the Railways Act which prohibits the exercise of undue preference.

I am asking, Sir, that the matter should be referred to a Select Committee since it is likely there would be differences of opinion as regards the articles to be included in this priority group. It is likely also that there might be differences of opinion as regards the scope and form of control to be instituted. Since, however, arrangements will have to be made for administering the control before the Ordinance expires, it is necessary that Government should take them in hand at the earliest possible date. For that reason, while I am moving that the Bill should be referred to a Select Committee, I am suggesting that the Select Committee should submit its report at the earliest possible date. I have suggested the 17th February, as the time limit for the Select Committee.

I see my Honourable friend Mr. Jaffer, intends to propose an amendment to the effect that this Bill should be circulated for eliciting public opinion. I hope he will realise that this measure is a very urgent one since the present powers expire on the 25th March and it would be necessary for Government to take in hand at the earliest possible date the arrangements required for future administration of control. If the Bill is to be circulated for eliciting public opinion, there would be undue delay. As a matter of fact, the points which are raised in this Bill are of a nature which the Select Committee itself would be in a position to examine fully. I would therefore request my Honourable friend not to move his amendment.

Sir, briefly the object of the Bill is to continue control over railway priority but at the same time to relax it in view of transport conditions having improved and being likely to improve further, unless unexpected developments occur. Sir, I move.

Mr. Deputy President: Motion moved:

"That the Bill to confer for a limited period special powers for regulating the transport of goods on railways, be referred to a Select Committee consisting of Mr. M. A. F. Hirtzel, Shri Sri Prakasa, Shri D. P. Karmarkar, Shri Jagannath Das, Pandit Balkrishna Sharma, Mr. Muhammad Nauman, Khan Mohammad Yamin Khan, Sardar Mangal Singh, Rai Bahadur Devendra Mohan Bhattacharya and the Mover, with instructions to report on or before the 17th February, 1947, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. Deputy President: Does the Honourable Member Mr. Jaffer wish to move his amendment?

Mr. Ahmed E. H. Jaffer (Bombay Southern Division: Muhammadan Rural):

Sir in view of the assurance given by the Honourable Member and the reasons and arguments advanced, I do not wish to move my amendment for circulation.

Dr. Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural). Sir, I do not like the system of controls whether in transport or in any other form. The sooner we get rid of these controls the better for the country. The Honourable Mover did not explain the difficulties which his department is feeling which compelled him to move this particular Bill. Is he still short of wagons and other vehicles necessary for transport? Is his stock still insufficient? I wish he gave us figures in connection with this Bill, we like to know whether the military authorities have already released the rolling stock which they commandeered during war time? I think military movement may not be so great at present and therefore the military must be in a position to release a good deal of the rolling stock. These figures we must have before we make up our mind on this Bill. We also like to know what attempts are being made to increase the rolling stock because if the rolling stock is released by the Defence Department or if an increase is made by fresh purchases, then the question of control in any form will not arise. There will be room for movement of orders placed by the customers. At present we should also consider the needs of the public. There is not only the governments the central and provincial and States to be considered, but the requirements of the ordinary citizens of the country should also be considered. There is a good deal of control in road traffic as well. There you have controls all over both in railways and road which is detrimental to civil population. So, it is not only the requirements of the Government which are to be considered, but also the requirements of the civil population. If the railways cannot meet the requirements of the people of this country, then they should really allow greater freedom for the roads to meet these requirements. It is not desirable there should be check both on rail and road. The Honourable Member is in charge both of railways and road. He must therefore see that at least one form of requirement for the civil population might also be available. If you do not allow the needs of the civil population to be met in matters of transport, then what means does he suggest for the country as a whole to advance. They are pressing all round development of

[Dr. Zia Uddin Ahmad]

industries, development of trade, development of civil amenities. The need for building more residential houses is pressed on one side and on the other side, he places restrictions on transport of building materials. To my mind these things are contradictory. If you want to develop these things, it is the first duty of the Government to provide transport facilities without which trade and industry cannot prosper. These restrictions on the movement of articles will stand in the way of development of all industries, trade and housing problems. If the railways are not able to transport these requirements, then you should provide facilities on roads. To impose restrictions both on railways and road is not really good in the interest of the people of this country. This is a point which I wish the Honourable Member to deal in his reply. He will answer particularly what are the difficulties, whether the difficulty is only rolling stock, or the difficulty of engines or there is further difficulty on account of which these restrictions are necessary. During war time we understood these restrictions very well. War requirements first and civilian requirements last, and nothing if necessary. But in peace time, there is no emergency. Why no steps have been taken to demand from the military authorities the release of rolling stock which they took possession of during the war. Why not take more active steps to get more rolling stock in order to meet the requirements? Why not press the road transport authorities to increase their facilities for transport? These are the points to be looked into before we can give our consent to this Bill. I of course understand that these things cannot be done in a day. So if this restriction is placed only for a temporary period—I believe it would be a very short period—we can appreciate it. But restriction on transport is really very unhealthy and it is surely not a good thing at all; so it should be avoided as far as possible.

Shri D. P. Karmarkar (Bombay Southern Division: Non-Muhammadan Rural): Sir I rise to speak at this stage because there are certain points in this Bill which seem to me to be rather anomalous and to which I should like to invite the attention of the House so that they may be gone into in detail by the Select Committee. It so happens that the sting of this Bill lies not so much in the body but in its tail; and I will limit myself to a few broad considerations regarding the Schedule. The purpose of renewing the control on movement of goods is that in the abnormal times through which we are passing, when railway transport is not in a position to meet the full civilian and other needs of the country, it has been found necessary to so arrange priorities in respect of railway traffic in the matter of goods as to be convenient to the State and to the public, specially the consumer public.

On a close examination of the Bill I find several glaring anomalies. It looks as if unconsciously—it may not be deliberate—certain interests are given absolute preference while certain other interests are absolutely ignored. For instance, in serial No. 8 of the Schedule I find, "Cotton or woollen piecegoods, blankets, twist and yarn"; and special preference is to be given when transport is sponsored, and to find what is "sponsored" we have to refer to clause 2. It means that if the goods have to be covered by this category, every consignment is to have previous permission for being booked. Here I find an anomaly—subject to correction—that there is no provision for handloom products or cottage industries. They are not produced in mills and are thus not supposed to come under any priority. Hand-spun and hand-woven khadi is not included, unless you define mill products as including every apparatus of manufacture of cotton or woollen textiles. Then other things seem to be ignored, e.g., the transport of *gur* and jaggery. This occurred to me because it was one of the serious problems that arose in the constituency that I have the good luck—or, in respect of *gur* the bad luck—to come from. In fact we get *gur* round about three or four hundred miles of Karnatak; and if this priority schedule is to be applied

then every manufacturer of *gur*—which is small scale manufacture—has to go to the particular authority concerned in order to get a priority certificate before he can send the consignment. Things like *gur* and chilies which are badly required by the poor consumers in this country should not be subject to any restriction whatever.

Then again I find cement included but not timber, as if timber is any less important for building purposes than cement. Timber also is an essential building material and I think it should be included. Then things of common interest like glass, for instance, are not included. And the next complaint that we are likely to make here in the next session is that we are lacking in glass tumblers and chimneys for our lanterns, etc.

Then certain commodities which are important from the point of view of the agriculturists are not found here. It may look very funny if, as I said, you mention chilies in this connection as deserving of preference. But I know that in my own district there is one *taluka* which produces sufficient chilies for a number of districts. You may of course say that it would not matter to the consumer if there are no chilies—some would say that the absence of chilies would be a very good thing—but it substantially affects the interests of growers. I may also mention the case of betel-nuts. In certain parts of the country lots of small cultivators depend almost exclusively for their livelihood upon betel-nut growing.

I would urge that all these things should be gone into, specially from the point of view of the poorer class of consumers as also from that of the growers, who are bound to be injuriously affected by this legislation.

Sir, I support the motion.

Mr. M. A. F. Hirtzel (Bengal: European): Mr. Deputy President, Sir, since this is the first opportunity I have had, I should like on behalf of the European group to pay a very warm tribute to the work which was done by the Honourable Member's predecessor and also to extend to the Honourable Member himself a very warm welcome from this side of the House. Now, Sir, in moving this Bill he thought of a very ingenious manner of putting it before us. He has represented himself as a liberator who is going to free us from control. My objection in this matter, as was amply exemplified by the previous speaker, is that when the Honourable Member exercises any control at all that is a chance given to all concerned to say, "Here is a facility that is made available to us; how can we get into this Schedule?" And the Honourable Member, I think, did not quite fully take the House into his confidence; he did not as he perhaps, might have done, indicate that the pressure on him to extend his Schedule is likely to be very considerable indeed. We shall have to do our best on the Select Committee to support his efforts to keep this Schedule small. But even so, I am afraid I find it very difficult to accept the Honourable Member's point of view that all that is being done is to provide priority for a very small quantity of goods. I notice that the Honourable Member was not specific in the matter of quantities, and I should be very interested if, in the very brief time that is now available and if it is possible, he could perhaps give us a quantitative evaluation of the amount of traffic already contained in his Schedule. The fact remains that in general I regard this Bill as most undesirable, however necessary the measure may be. I regard it as undesirable because any measure that makes an inroad into the valuable rights which are secured to the public under section 42-A of the Railways Act must inevitably be regarded as objectionable. Truly that section of the Act is one which entitles the railways to call themselves public utilities, that is to say, they are free to be used by any person who wishes to use them, subject to very minor restrictions, on payment of freight. Any Bill which seeks to limit the rights conferred by section 42-A is, I suggest, removing the main characteristic of a public utility from Indian

[Mr. M. A. F. Hirtzel]

railways. For that reason we must continue to object to this form of control. As I said, however, we admit that it is inevitable under present conditions, and it is those conditions to which we take objection. The Honourable Dr. Zia Uddin of Aligarh University drew attention very pointedly and very rightly to the question whether the facilities which the Railways are providing are proportionate to the task they have undertaken, and I am very glad that the Honourable Member is able to bring a completely fresh mind to bear on this problem. I have personally constantly sought assurances regarding programmes for rolling stock, wagons, locomotives, and so on, and I have repeatedly been assured that the situation is satisfactory as far as can be forecast. I fully admit that there is an element of individual judgment in a thing of this kind, and I certainly have confidence in the judgment of the Honourable Member and his advisers, but we shall be very glad to have an assurance that he is fully satisfied on this point. The Honourable Member will have a further opportunity of discussing this question during the budget debates. But, Sir, the Honourable Member should consider this point that if full facilities are not provided by the Railways what justification is there for imposing controls of a very tight and discouraging character on other types of transport particularly road transport. I will say no more on that subject, but I would like to say a word about certain other sections in the Bill which I want to be considered when the Bill goes to the Select Committee.

The Honourable Member stated that it was a very simple matter, you merely put this "small" section of commodities in the schedule and you give them equal priority, but the difficulty which the layman finds in that is—apart from any subsequent expansion of the schedule—that within the schedule further priorities will certainly have to be given. That was my original understanding of the position. The items appearing in the schedule were to be arranged in descending order of importance for the allotment of priority. Then outside the schedule you have your general traffic. The Honourable Member has, I think quite naturally, not drawn full attention to the significance of clause 3(b) of the Bill which confers on the Railway Administration powers 'to refuse to carry such goods or classes of goods as may be specified in the order'. The Honourable Member said that it was quite simple, but here we have in clause 3(b) a provision which enables you to say that certain traffic shall not be carried either absolutely or between specified places. I am suggesting that the reason for that is to prevent congestion of railway godowns and that brings me back to the point that I was making. Is the Honourable Member fully satisfied that his rolling stock, and his operations have reached the requisite standard or at least the highest standard possible under present conditions? Personally I am not fully satisfied on that point.

The second point is, who is going to regulate these priorities? The Honourable Member hinted at some change in the organisation. As I have understood it, and as it was represented to us in the Standing Advisory Committee, it is proposed to keep the Controller, or the Adviser, on Railway priorities in a hermetically sealed place here in the Secretariat where you can never get at him and where you can have no access to him. I have already warned the Honourable Member that that will be an extremely unpopular position. I dare say that the Honourable Member has not yet had an opportunity of seeing the railway administration on the Bengal-Assam Railway. My experience and my information and the experience of others has been that complaints and so on do not always receive that attention which the public feel that they have a right to expect. Now this Controller in the Secretariat issues a *farman* from a hermetically sealed place that umbrellas shall not be carried or whatever may be the article. I am perfectly confident that when I go to the Bengal-Assam Railway and say I want to send this consignment of umbrellas, they will say 'Pa ha.

Delhi chalo!'. That is the position in which the Honourable Member will put the Punjab and which they will not find very much to their liking. Therefore so far as control is concerned, we on this side of the House, and those whom we represent, would, I feel sure, like to see the Regional Controllers organisation continued. We fully recognize that control over the movement of various types of traffic may have to be exercised in the present conditions, and I would suggest that one advantage of retaining the Regional Controllers' organisation will be that it will enable zoning of traffic to be made effective, and I commend that to the attention of the Honourable Member to the Select Committee. Those I think are the main points which I would like to raise on the Select Committee if this motion is carried. Sir, I support the motion.

Mr. P. B. Gole (Berar: Non-Muhammadian): I wish to make a few observations regarding this Bill, so that the points that I want to make should be taken into consideration by the Select Committee.

Sir, I find from the schedule attached to the Bill that priorities are being given for certain articles which can be said to be articles of necessity but some other articles appear to have been altogether excluded from this list of priorities and those articles can be said to be articles of necessity. As pointed out by my Honourable friend, Mr. Karmarkar, glassware is an article of necessity, which has been excluded from the list of priorities. I have received certain representations from the glass manufacturers and they say that their glasswares are lying in their factories for want of priorities, and their movement is so much restricted that they are not able to send the goods manufactured by them to their destinations although they have got orders on hand. I may point out here that foreign articles are being dumped into Indian markets especially glassware. Foreign glass is coming into the Indian market in such great quantity that it is likely to throttle the indigenous industry of glass. Glass is an article of everyday necessity. All kinds of glassware are at present being used, especially when there is so much dearth of metal articles and I find from this list of priorities that glassware is altogether excluded. I would urge upon the Honourable Member in charge of this Bill to consider this question and give a place also for glassware in the list of priorities.

Sjt. N. V. Gadgil (Bombay Central Division: Non-Muhammadian Rural): That it may not break!

Mr. P. B. Gole: It may be pointed out that glassware is not allowed to be carried by bus and other such means of transport. It is only the railways who are allowed to carry glassware and especially over distances of more than 100 miles. It is necessary that that should be despatched by the railway. My submission is that clearly speaking, in considering priorities there are also some other articles which might be classed as articles of necessity and which have not been included in the list of priorities.

Another observation in regard to this Bill is in regard to goods like cotton and woollen piece-goods, blankets, etc., when they are despatched from textile mills. Supposing there is a selling agent of a textile mill. He receives orders from different consumers for despatch of goods. Only the goods which are either sponsored or are despatched from the mills are on the priority list. Then what is to happen to goods to be sent by managing agents or by an agent appointed by a mill who purchases the goods and sends them, especially cloth. For instance, in Bombay there are certain merchants, wholesale dealers, who purchase or undertake to purchase the whole of the piece-goods manufactured by the mills. They take the goods and they despatch them. There is no provision for priority so far as those are concerned. It is stated only when the goods are sponsored or when the goods are despatched from textile mills. That will create another difficulty in the way of transport of mill cloth when cloth is to

[Mr. P. B. Gole]

much in demand in India. I would draw the attention of the Honourable Member to see especially to this difficulty which may arise if this Schedule, as it is now, is passed without any amendment.

I also have some doubts as to the necessity of clause 3(b). As has been just pointed out by the previous speaker, what is the necessity of this clause "to refuse to carry such goods or classes of goods as may be specified in the order either absolutely or between places so specified". I have not been able to understand the necessity of this clause. This will create hardship especially for those goods which it may be necessary to despatch from one place to another and which will be at the sweet will of the railway authorities to check and to refuse. As it has been observed, these controls are unpalatable things so far as the consumers are concerned and this is in restraint of trade as has been observed by the Honourable Member in charge. He is also very much concerned that these controls should be minimised and they seem to be minimised to a certain extent. But I find that some of the essential goods which should be given priority have not been included. I hope the Select Committee will take all this into consideration and include some other articles which are considered articles of necessity in the priority list. I have given you one example of glassware. With these remarks I support the motion.

Mr. Deputy President: Does the Honourable Member wish to reply?

The Honourable Dr. John Matthai: I am grateful to Honourable Members for giving their support to this motion. I shall be very brief in replying to the points raised.

My Honourable friend, Dr. Zia Uddin, raised the question whether it is at all necessary to provide for this control. If we ask for control, it necessarily means that the railway transport position is not as satisfactory as it might be. Well that unfortunately is the case. The wagon position is certainly better but the locomotive position is not yet quite satisfactory and it might take some time before we should be able to provide sufficient traction power. There is also this to be considered. When we estimate the prospect of transport conditions in the near future there are certain developments which may entirely upset our calculations. There is for example the question of labour disputes. There is again the question of civil disorders. Any of these circumstances may throw our estimates out of gear. But the duration of the Bill is to be limited to a period of one year. It is a Bill introduced for the continuance of control over a very limited period and it will be open to the Government and the House to re-examine the position shortly.

My Honourable friend, Mr. Karmarkar, and also my Honourable friend, Mr. Gole, raised the question of the articles to be included in the schedule. That is precisely one of the matters which I would expect the Select Committee to go into. I anticipated that in regard to this there would be differences of opinion and it is for that reason that I have suggested a reference to a Select Committee, so that this matter might be left over at this stage for consideration by the Select Committee.

My Honourable friend, Mr. Hirtzel, raised the question of the necessity for introducing a provision like Section 3(b). The point is this. If you are going to accord priority to certain articles, you cannot implement that provision unless you have a negative provision of the kind indicated in section 3(b). At certain times, and in certain places, it might be necessary to place some restriction over other articles, if the priorities are not to become ineffective. The necessity for a limited restriction of that kind is an essential corollary to any provision for according priorities.

Sit. N. V. Gadgil: Is that necessary? The power to grant also includes the power to refuse.

The Honourable Dr. John Matthai: The one goes with the other. Mr. Hirtzel wanted some estimate of what the transport position is likely to be. I do not want, Sir, to commit myself to any statement on the subject but as I said at the beginning unless unexpected developments occur, I expect that the transport position would be a great deal better and we might be in a position, if not to eliminate control, at any rate, to relax it still further.

Then, I think my Honourable friend Mr. Hirtzel raised the question of the kind of organisation that we contemplate, in view of the restricted control proposed in this Bill. At present we have four Regional Controllers to whom all local matters are referred and we have at the headquarters of the Government of India a Chief Controller. Assuming that the House accepts the scope and the method of control proposed in the Bill the kind of organisation (which of course is a purely tentative suggestion on my part) we have in view is that local matters would be handled by the local railway administrations, subject to any general or specific directions which may be issued by the Government of India in the Transport Department with the assistance of a Central Adviser, who will be stationed at the Headquarters of the Government of India. Now that necessarily implies that the control would be limited in scope on the lines proposed in this Bill. If it is not, of course the whole question will have to be reconsidered.

I do not think there is any other point of importance to which I need reply now, because I think most of the matters which have been raised today by Honourable Members are matters which the Select Committee would be in a position to examine.

Mr. Deputy President: The question is:

“That the Bill to confer for a limited period special powers for regulating the transport of goods on railways, be referred to a Select Committee consisting of Mr. M. A. F. Hirtzel, Shri Sri Prakasa, Shri D. P. Karmarkar, Shri Jagannath Das, Pandit Balkrishna Sharma, Mr. Muhammad Nauman, Khan Mohammad Yamin Khan, Sardar Mangal Singh, Rai Bahadur Devendra Mohan Bhattacharya and the Mover, with instructions to report on or before the 17th February, 1947, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

The motion was adopted.

FOREIGN EXCHANGE REGULATION BILL.

The Honourable Mr. Liaquat Ali Khan (Finance Member): Sir, I beg to move:

“That the Bill to regulate certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion, as reported by the Select Committee, be taken into consideration.”

Sir, the Foreign Exchange Regulation Bill has been examined by the Select Committee and it will be seen from the amended Bill now before the House that the amendments are minor in character being mainly of a consequential nature with one exception. This is the introduction of a new sub-section (4) to clause 1, limiting the period of the Bill for five years with powers for the Central Government to extend its operation by notification for a further period of three years. In the opinion of the Central Government, the necessity to control foreign exchange is likely to be permanent both to enable this country to watch and safeguard its balance of payments and also to be in a position to take advantage of the facilities offered by the International Monetary Fund. Under the rules of the Fund, foreign exchange may not be purchased from it to meet movements of capital and control of foreign exchange transactions is therefore necessary to enable Government to be able to certify to the Fund that any adverse balance of payments that may arise on Indian account is not due to any outflow of capital. However, it was the opinion of the Select Committee that these wide powers to control exchanges should not be given to Government

[Mr. Liaquat Ali Khan]

permanently, but should be restricted to early post-war years when it was appreciated that world trading conditions were likely to be difficult. As a compromise, therefore, between the two views. Government have accepted a proposal to limit the duration for which the Act should be in operation to five years, with powers retained by them to extend it by a further three years. This will give the Legislature an opportunity of reviewing the position after the International Monetary Fund has established itself and the sister body, the International Trade Organisation, has come into operation.

I would again emphasise that this Bill is, mainly an enabling measure. It gives powers to Government through the Reserve Bank to regulate all dealings in foreign exchange, to restrict the sale of particular currencies or to free transactions in certain currencies completely or for special purposes. To appreciate how the Bill will operate, it is necessary to give an indication of the policy in respect of exchange control which it is Government's intention to follow, and I will now endeavour to outline our aims.

Under our obligations as members of the International Monetary Fund, we are called upon to allow freedom of exchange transactions for what are described as current transactions, that is, the normal payments resulting from international trade and in addition the transfer of items such as profits, dividends and family remittances. Owing to the devastation of the war and the resulting unbalanced state of international trade, many countries will have great difficulty in being able to allow freedom of exchange transactions at once, and the Fund has therefore made provisions for such countries to postpone undertaking their full obligations. Member countries are therefore permitted to take advantage of what are known as the transitional arrangements and for a period of three years to continue to maintain exchange restrictions both as regards the multilateral convertibility of their currencies as well as on payments for current transactions. In view of the uncertainties as to whether India will, in the near future, be able to obtain full payment in convertible currencies for its exports to other countries, Government have felt that they could not undertake as yet the full obligations of membership and have advised the Fund that India intends to take advantage of the transitional period. However, this is only a safeguard to enable us to impose and maintain necessary restrictions, and our policy and aim is to achieve the multilateral convertibility of all currencies including the rupee as soon as possible and therefore to confine our restrictions to those necessary to ensure control and regulation of capital movements.

Before I proceed further, I would like to define what I mean by "multilateral convertibility" as there seems to be considerable misunderstanding of what this term connotes. "Multilateral convertibility" of a currency does not necessarily mean that any one can buy foreign currency for any purposes. What it means is that any foreign currency acquired by any person can be converted by the holder into any other foreign currency. For instance, if rupees are multilaterally convertible, it means that if an American sells goods to India for rupees, he can use these rupees to buy goods from China, Iran or Siam and is not restricted, as at present, to using the rupees for expenditure in India, or in other sterling area countries.

Now, Sir, from the 15th of July of this year the United Kingdom have undertaken, under the Anglo-American Loan Agreement, to make sterling received by other countries multilaterally convertible for current transactions. Other countries with a favourable balance of payments with the United Kingdom will, therefore, not have to hold such balances in sterling until such time as they are able to expend them on purchases from the United Kingdom or other sterling area countries, but will be able to use this sterling for the purchase of goods or the making of payments to any country whether inside the sterling

area or outside it. It should be noted, however, that sterling will not be multilaterally convertible for capital transactions. The fact that sterling, a currency which is used to finance such a large proportion of world's trade, is to become multilaterally convertible so soon, is very satisfactory and should do a great deal to facilitate the recovery of international trade.

With regard to our Bill, its scope is admittedly very wide, because in order to control movements of capital, it is necessary to supervise all transactions in foreign exchange. Because powers have been taken to do this, however, it does not mean that it is the intention of Government or the Reserve Bank, acting in accordance with the policy laid down by the Government, to restrict all foreign currency payments. As I have already stated, it is the policy of Government to aim at the removal of all restrictions other than those on movements of capital. It is, therefore, our intention to continue the existing practice under which we allow payments freely for imports provided of course they are covered by import licences or are on the free list and also to give foreign exchange for other current business transactions involving the transfer of profits, interest, commission and insurance premiums to persons resident outside India, the remittance of reasonable amounts of foreign exchange for family remittances, travelling expenses and the transfer of provident funds and savings up to certain limits by persons leaving the country. Facilities also will be given for the transfer of amounts by emigrants from India to other countries. In fact, our intention is to permit nearly all transactions of a current nature subject to certain restrictions as to amount, to ensure that capital is not being transferred in the guise of a current payment and in addition to allow moderate transfers of capital where such amounts are required for trade purposes such as for the establishment of overseas branches of Indian trading firms and for banking and insurance operations.

The main item in our foreign exchange expenditure is that required for the payment of imports, and aware as Government are of the inconvenience of restriction, Government adjudge it necessary to continue for the present import control so as to limit the expenditure of foreign currencies which are in short supply and in order to ensure that the foreign exchange resources of the country which are needed for the purchase of capital goods and industrial equipment are not frittered away in non-essential and luxury articles. As foreign currencies become freely convertible, the necessity for distinguishing one foreign currency from another should gradually disappear. In this Bill, we are not concerned with the import policy, as the powers given are only intended to enable the Reserve Bank to see that payments of foreign exchange against imports are in fact utilised for that purpose and to ensure that there is no wastage of foreign exchange by unauthorised payments. The Bill is not concerned with the type or volume of imports that may be allowed in the future.

We now come to the important question of the future of transactions in sterling and with other countries in the sterling area. As I stated when introducing the Bill, apart from other considerations, it is impracticable to use in a permanent legislative measure a term such as the "sterling area" which, in the course of a few months, is likely to lose its present meaning. In the United Kingdom Exchange Control Act, which is drawn on very similar lines to this Bill, a schedule is attached to the Act listing the territories which comprise the present sterling area and the countries in the schedule are excluded from the restrictions imposed by the Bill. The Select Committee considered adoption of a similar form in this Bill as certain members considered that with our vast holdings of sterling, the introduction of restrictions on payments to the United Kingdom was unnecessary. It was finally decided, however, that in view of India's new status it was not desirable to include in a new Act a schedule of territories to which exchange control restrictions would not apply, as this might give the impression that India wished to continue permanently the system of pooling her foreign exchange resources which is a

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feature of the present sterling area arrangements. It should be noted, however, that in the Bill as drafted, care has been taken to give the Reserve Bank powers to exclude specified currencies and payments from the restrictions imposed by various clauses, so that by the issue of notifications, the Reserve Bank will be able to continue the existing arrangements under which transfers to the United Kingdom and other countries in the sterling area are allowed freely. It may be noted that in the United Kingdom Act, the Treasury is given power to delete territories from the schedule or to add territories thereto, by notification so that in effect the two Bills are the same. We can exclude a territory from the operation of our Act by a notification of the Reserve Bank, while the Treasury can delete a country from the list of territories to which the United Kingdom Act does not apply by an overnight notification.

(Now, Sir, I wish to say that the Act was not framed by Government with the intention of making any sudden changes in the existing Exchange Control system immediately it comes into force and it is the present intention of Government to instruct the Reserve Bank to issue the necessary notifications to allow payments to continue to be made freely to other countries in the sterling area. It is only common prudence to recognise, however, that circumstances might arise or develop in which it may not be possible to continue this system indefinitely as freedom to allow capital payments as distinct from current transactions must depend on our having freely available to us sterling to meet any resulting adverse balance in payments.

I am hopeful, Sir, that conditions will not emerge in which any restrictions on the release of sterling to meet the repatriation of British capital from India are called for. But whatever the occasion or extent of any such restriction might be, I cannot foresee any set of circumstances, of which India has control, in which Government would deem it essential to apply such restrictions to transactions other than large transfers of capital, and to place restrictions on normal remittances from India to the United Kingdom or on the transfer of provident funds and savings by British nationals returning to their own country. I have tried to very carefully place the policy of the Government with regard to the enforcement of this measure when it is passed. The House must have noticed that but for a short note by one of the members of the Select Committee. Sir Cowasjee Jehangir, the report is unanimous and I hope that the House will give its support to the motion which I have placed before it.

Mr. Deputy President: Motion moved:

"That the Bill to regulate certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion, as reported by the Select Committee, be taken into consideration."

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

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

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I must congratulate the Finance Member not on getting an almost unanimous report on this subject but on getting a very excellent and reasonable statement explaining and glossing over both the work of the Select Committee and the objects of Government in the operation of the law as it will come out of this Bill. Now, Sir, this is a vast subject, but, as I said on a previous occasion, we are all curbing our zeal in view of Government's heavy legislative programme. I will, therefore, confine myself to two or three outstanding points only.

I have ever since the International Monetary Fund and Bank proposals came to this country been pleading for going slowly into it and I am glad that Government have realised and have taken advantage of the transitory provisions anticipating exactly the remarks which I was constantly referring to namely, that India may not be quite ready to go in full-strength into the operation of such measures as the International Monetary Fund may require and that for some time, at all events, it may be necessary for us to impose or to continue certain restrictions with regard to certain types of dealings. When the International Monetary Fund arrangements came on the scene, one of the clauses therein, which I felt would be very difficult for them to operate, was the distinction which was sought to be made between current transactions and capital transactions. I still maintain that that distinction will not in practice in all cases be observed. It is so difficult to observe it. It is one thing to suggest that the exchanges arising out of the sale of current goods should be freely convertible into multi-lateral currencies and that any other exchange which may be with you on account of the previous year's or on account of capital transactions should not be so convertible. There is no distinction between one 10-rupee note in my pocket and another and if anybody gave me a third note and said: "This particular note you shall not use for certain purposes", I can very readily make a promise with that particular piece of paper. "I shall not use it for certain purposes" but that enables me to expand my finance and enables me to use other pieces of paper which I would have been obliged to hold up had I not received this particular accommodation. In other words, I still feel that not only the authorities of our country but the authorities of the International Monetary Fund as well are going to have a large series of head-aches over this distinction which is sought to be made between current transactions and those that are not current. There are bound to be carry-overs from one year to the other; you cannot get a full-stop on the 31st December or any particular date that you have got. There will be carry-overs; there will be outstandings; there will be suspense accounts; and, as I said, above all, there will be capital amounts which may be easily disguised as current transactions. In fact, the Honourable the Finance Member himself has in a statement indicated that while there will be no interference with normal amount and with remittances and allowances and so on, Government will have to watch even if a particular currency is not declared as coming within the operations of this law. Even then Government will have to watch whether there are capital amounts. For example, we have now what is known as the 'flight from the rupee'. This arises from the fact that certain parties in this country having heard that Government might change the power of exchange have transferred large funds to the United Kingdom in the hope that if the rupee was depreciated, they could buy the pound at Rs. 13-5-0 and they could still buy it back at Rs. 15, Rs. 18 or any other sum. A certain amount of unhealthy transaction is taking place like that. I am sorry my friend the Baronet is not present in the House or he would have confirmed my statement that a certain amount of unhealthy transaction is taking place at the hands of certain parties in Bombay. I know about Bombay from my personal knowledge and the same may be happening elsewhere because people are worried and afraid as to what is going to happen to the political life of this country. They feel, I think, most wrongly that there is greater safety in some outside country and they are removing their capital funds from here.

Then, Sir, there is another flight from rupee in the form of speculative fund sent down by rich Marwaris and stock-exchange operators who, having raised the Indian shares from a low value to a very high value and having sold them here, did not want to invest funds in India, but felt that some of the London shares were lower and they would go and invest their money there and sell them off there and make money and also take advantage of any change in the value of gold. These are the types of transactions which are taking place. I

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have already suggested once before and I again take the opportunity of putting forward the suggestion that the Reserve Bank and the Government of the country ought to have full information even if a particular currency was not declared as coming within the operation of this law; just as the Honourable the Finance Member said that on account of the heavy stock of sterling which they have got there is no intention to prevent anybody from making remittances to England. I agree with him there, but even if Government do not wish to restrict dealings in that currency, should they not have the information? I am glad that under clause 19 Government have power of getting all the information and I hope and trust that this power is capable of being utilised even when that particular currency is not definitely included in the operations of the law. I shall be glad if this point is cleared when the Honourable the Finance Member replies. In short my plea is this: that the Government of the country should be wide awake and should get the fullest information of what is happening. It may be that what is happening is nothing very harmful and not very mischievous and therefore it does not call for any interference. On the other hand it may be that something is happening which is deleterious, which is disadvantageous to this country, it may give trouble to the government themselves later on in which case government may be able to find a timely interference in the course of things. Sir, it is a great pity that the government of the country and the Reserve Bank which is the instrument for informing the government and for carrying out various other executive functions—some of these extra powers have been given in this Bill also—it is a pity that the Government and the Reserve Bank should not have fullest information as to who is buying sterling and for what purpose. Today they have not got that information. I feel that that is a very serious lacuna not necessarily in law, because there is an existing law under which they could get information, but they have merely not chosen to do so, I submit that that position ought not to continue any longer and that the Government should have the fullest information even with regard to the operations in currencies which are not necessarily declared as scarce currencies or which do not come into the restrictive field covered by this law.

Now, Sir, as I said on a previous occasion I was glad that this Bill was carefully drafted. It is a timely measure and it has not come a day too soon. I was glad that it indicates in my eye a freedom from control from London which some of us have been fighting for for very many years. This freedom of control from London may appear sentimental, but since we attach ourselves to the International Monetary Fund, the regulating factor will be both gold and dollar and not sterling. If that is so, we must necessarily prepare to settle all these matters according to our lights without any chance of interference or compulsion or pressure from any other quarters in the world. This objective would be achieved by this Bill.

Sri M. Ananthasayanam Ayyangar (Madras Ceded districts and Chittoor: Non-Muhammadan Rural): How will this be achieved?

Mr. Manu Subedar: This will be achieved because Government under section 25 will be free to give directions to the Reserve Bank of India and under clause 3 of this Bill may be able to indicate any currency to which restrictions will apply. As my Honourable friend Sir Cowasjee Jehangir has appended a Minute of Dissent, I would like to say one or two words about it. The law on the model of which we are basing this Bill is the British law. The British law gives pre-eminence to London which practically though less than it was before the war is still next to New York, the biggest financial centre in the world. The British Government have to deal not only with direct dealings between United Kingdom and just those countries with which they are trading. London is the clearing house, for a good many transactions which are done between various

parts of the British Empire and such other countries as have placed themselves voluntarily in the sterling area. The British Government published a schedule enacting that in the scheduled countries it was not their intention to restrict the operation of this clause. They very wisely kept the power to themselves to add to the schedule or to take out any countries from it. The Honourable the Finance Member once said that sterling area has a connotation which is varying, countries which are included in it today may tomorrow voluntarily or for various reasons may go out. In any case, sterling area is not a sufficiently definite term for us to use. But apart from that, whereas London wanted to give the impression to the Empire and other countries that they are not going at any time and under any conditions to exclude them, though they reserve the power to do so, they were not going at all events, *prima facie* to apply these restrictive exchange laws to the Empire countries. But we, on the other hand, who are emerging in a state of political and other transition, we have to be very careful what we do on the point. I therefore commend the manner in which this Bill has finally emerged from the Select Committee. But the point I wish to put before the House is this. This is the foreign exchange law of India. All of your laws do not find their place in the chancelleries of the world. They do not necessarily get hold of legal provisions applicable to the country. But they are all concerned with this law. A copy of this law which we pass here will reach automatically every Bank in the world and every foreign exchange dealer in the world and every foreign office of every country in the world. I do not want that we should also append a schedule in which we appear to be making a law which is applicable to all countries which are not only outside the British Empire but outside the sterling area. It should not appear as if there is a fast link with London. Because should it appear so, then our membership of the International monetary fund would be a very doubtful membership. We would not have that independence which is expected from every member of the International monetary fund. It is inconsistent with that position, inconsistent as the Honourable the Finance Member said with the new international status which this country is acquiring rapidly and everywhere. It is necessary that we should avoid giving them the false impression as to our position. When my Honourable friend Sir Cowasjee Jehangir objects to this mode of legislation in which something is done by executive order, he forgets that executive order equally applies to schedule. Under the British Act, by an executive order, the schedule is alterable. We start with some kind of schedule, it will be published by executive order and it will be capable of being changed by executive order. //

Another little point I wish to make is that you cannot control foreign exchanges unless you do some kind of control over the trade from which foreign exchange emerges. Really speaking the Bill for control of exports and imports which the Honourable the Commerce Member is bringing up and which he introduced this morning, is really a Bill which should go with this Bill. They go hand in hand, whereas this Bill is put down for a period of five years first and then three years thereafter. When occasion comes I should like to make it clear that you cannot control foreign exchanges unless you have some policy with regard to import and export trade of the country from which mainly the foreign exchanges emerge. If you want to balance your foreign exchange, then you may have to economise and see that unnecessarily articles are not bought, that trade in particular direction does not run away in order to restrict resources from which you can carry on trade in certain other directions. I do feel that the operation of such a Bill would be extremely difficult if trade were left uncontrolled. What is the object of foreign exchange control? That the central banking institution or the central authority which will regulate exchanges should be able to get hold of all the exchange which comes legitimately to this country that there should be no waste, leakage or restriction of such funds as arise legitimately and that these funds may be best utilised and given out for those purposes for which priorities have been settled. The priorities question will not

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arise where we have got plentiful funds in any particular direction or in any particular year. But it may arise very acutely and very soon in the case of India because we are selling very much less to the outside world than we are buying from it. Therefore I say that the exchange control position has got to be supplemented by the trade control proposition, and that these two pieces of legislation which may run parallel are important to one another.

Then the Finance Member has been conscious of the uncertainties of the world and he said, "Are we to be always receiving payment in currencies which will be convertible?" We may export to a country and that country may be in a weak position, or may not be in a weak position when we start to export but may weaken thereafter, so that its currency is not immediately and readily convertible. These are all contingencies for which we must be prepared, and therefore there are provisions under this law which will enable the central authority to act quickly and to act with vigour when the occasion arises.

Sir, there is one more point that I should like to make before I conclude, and that is that I am glad that clause 25 emerges from the Select Committee in the form in which it was given. This clause puts rather wide powers in the hands of Government, but I consider that it is extremely necessary and proper that this power should exist with Government. The clause says:

"For the purposes of this Act the Central Government may from time to time give to the Reserve Bank such general or special directions as it thinks fit."

Now, Sir, there is a spirit in this country against which I wish to raise my voice from this place and that is this. There is a spirit of evasion abroad; during the war there has been too much utilisation of opportunities of evading laws, to the private advantage of individuals. I want to say that this spirit is anti-social and should be put down. In Russia and in other countries any anti-social practices are punished very heavily. In this country unfortunately the courts on a tradition of giving the fullest benefit of doubt to every one go meticulously into the merits,—whether the party has actually broken the law, whether the law was properly passed, whether the particular rule was properly passed or whether it was issued by the proper authority. I have seen very good cases of breaches of public morals—in my eyes at least they offended against public morals—which have been dismissed by the courts in this country on account of some little lacuna in some law somewhere. I say that even the legal profession is not doing its duty when it helps the law-breakers to the extent to which it has been known to help them during the last five years in prosecutions against hoarding and profiteering, prosecutions in regard to corruptions and prosecutions in other directions. This spirit of evasion which is anti-social must be put down; and I am therefore glad that there is this provision in clause 25 which, as soon as the smallest doubt is thrown on any provision of this law or any rule made thereunder, will enable Government with a view to carry out the objective of the Act to issue directions; and these directions will have the effect of law. This is to my mind a very necessary thing not merely in this direction but in other directions, but it is certainly extremely important with regard to exchanges. There are clever people in this country who as soon as this law is promulgated will sit down to study it section by section and say, "How can we evade section such and such? What can we do, while keeping within the wording of the law, to get round it, and how can we reap some advantage for ourselves?" Sir I would ask the Honourable the Finance Member to keep a special note and to get special reports if such efforts are made to defeat this law and to act promptly under the powers which clause 25 gives him.

Sir, I support the motion.

Mr. P. J. Griffiths (Assam: European): Sir, it does not seem to be necessary at this stage of the present Bill for me either to enunciate the general principles

which we in this group hold with regard to the whole problem of foreign exchange or on the other hand to discuss this present measure in any detail. I merely wish to indicate very briefly the two principles which define our attitude towards this kind of problem and which, taken together, lead us to support this present measure. The first principle is a self-evident one, that in the present difficulties and the future uncertainties of all problems of exchange, every self-governing country must in fact take the kind of powers which this Bill contemplates. These powers have been found necessary already in most countries of the world including my own; and indeed even if the practical facts of the case did not necessitate their adoption the obligations of this country to other countries under the International Monetary Fund would make some measure of this kind necessary. But quite apart from that there is, I think, an even more important aspect of a measure of this kind. It is by passing this kind of measure that this House and this country exercises to the full, for the first time economic sovereignty. Economic sovereignty is in fact attained far more by the passing of practical measures of this kind than by mere paper changes in constitution and in law. This House, by dealing with this Bill, is asserting in unmistakable terms that this country claims—and has—complete economic independence; and for that reason alone we in this group regard it as a measure of the highest importance, a measure entitled to command our support.

There is, however, one other principle which is also at the back of our minds when we consider the whole problem of foreign exchange, and that is that controls of this kind interposing as they must barriers—barriers to trade, barriers to exchange—must of necessity be in some sense an evil. There are times when they are necessary evils, but evils they still remain. And therefore whenever a control of this kind is to be applied Government must ask itself the question, “Are we satisfied that in the present circumstances and in the case to which we propose to apply this control the evil of control is a necessary one? Are we satisfied that we cannot do without the exercise of the control concerned?” And so today we want to ask very briefly the question, “Where and in respect of what regions is it necessary to apply the kind of restriction contemplated by this Bill?” But of course the first part of the answer is easy. When you turn to the hard currency countries there is no room for doubt; there it is essential and we cannot do without it. So as far as those countries are concerned, the Finance Member can have an easy mind. When we come to that group of countries which are loosely but conveniently called the sterling area, the problem is rather different. I do not suppose anybody in this House would maintain that at this particular point of time, here and now, the control of exchange with regard to the sterling area is essential. It may be that under some different circumstances, which have not yet arisen, that kind of control with regard to sterling might become necessary; but it is I think common ground that under the present circumstances existing today—the 10th February 1947—there is no need whatsoever for the exercise of any measure of control with regard to the sterling currencies. I understand that in his speech this morning—at which unfortunately I was not present—the Honourable Finance Member did make that point clear, that as far as the present point of time was concerned, perhaps with certain exceptions, he saw no necessity to apply these controls and these restrictions to the sterling area. I welcome that statement very much indeed. But I still think it is a pity that effect was not given to that intention in a schedule to the Bill itself. I think the intentions

3 P. M. of the Government would have been far clearer if we had followed the British model. As Honourable Members know in the British Act there is attached to the Act a Schedule of Territories to which the operations of the Act do not apply. That schedule roughly corresponds to the sterling areas. It is perfectly true that in the British Act the Treasury has the power to add to, or subtract from, or in any way vary that Schedule, and so in a practical sense there is not perhaps very much difference between that form of legislation and the Bill before the House today. But though the practical differences are not very great,

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the psychological differences are quite considerable and it does seem to me of value in a measure of this kind to tell the outside world in the measure itself what the intentions of the Government are. This is what the British Government did by putting the sterling areas into an excluded schedule. I agree with my Honourable friend, Sir Cowasjee Jehangir, that it would have been very much more satisfactory if in this Bill the same procedure had been followed and if the sterling areas had for the time being been excluded from the operation of the Bill by a Schedule. Government would still have had the power to vary that schedule, but they would have told the outside world what their intentions were. I do believe myself that in dealing with these international matters it pays in the long run to make your intentions clear and to tell the world what you intend to do. You have to do it sooner or later and you very often avoid a great deal of nervousness and great deal of apprehension in foreign markets by making your intentions clear at the outset of legislation of this kind.

That however is perhaps a theoretical point for draftsmen. The important thing is that there seems to be a general recognition that in the present circumstances there would be neither rhyme nor reason in seeking to introduce restrictions on transactions of a general and *bona fide* nature inside the sterling area. We regard it of the utmost importance that that fact has been recognized by the Honourable the Finance Member, and I trust that in the months and years that lie ahead of him he will not be dissuaded from that point of view on account of ideological considerations which may be put before him from time to time. Let us stand fast on the principle that this Bill has one object and one object only: to assist India and to enable India to conserve the currency of those countries of which she is or is likely to be in short supply, and that it exists for no other purpose whatsoever,—let us stand fast on that principle. Let us accept the fact that India must have the power to control her exchange, but in practice there would be neither sense nor necessity in using those controls in regard to currencies of which her supplies are more than adequate. Subject to these considerations and subject to the belief that the Honourable the Finance Member will exercise his power of notification wisely and that the sterling areas will in fact be excluded from this Bill, we in this Group give our full support to the measure now before the House.

The Honourable Mr. Liaquat Ali Khan: I do not think I have to add very much to what I said this morning except to thank the House for the support which they have extended to this measure which I have placed before this House.

With regard to the point raised by my Honourable friend Mr. Manu Subedar, all that I can tell him at this stage is that the Government will keep a watch over all transactions in foreign exchange.

With regard to the point that has been mentioned by my Honourable friend, Mr. Griffiths, this morning I made the position of the Government very clear, with regard to the sterling areas. I do not think I need add much to what I stated this morning. We have no intentions at this stage to apply any restrictions on foreign exchange with regard to sterling areas. My Honourable friend has appealed to me that I may not be swept off my feet on account of some ideological considerations. Sir, I am practically ideological and whatever is in the interest of my country will carry the utmost weight with me, and there will be nothing else that will make any effect on my policy.

Mr. President: The question is:

“That the Bill to regulate certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion, as reported by the Select Committee, be taken into consideration.”

The motion was adopted.

Mr. President: We will now take the Bill clause by clause. I find that Messrs. Ayyangar and Reddiar have given notice of certain amendments to certain clauses. The notice was received late and there was no time to have it circulated to the House, and I do not propose to

Sri M. Ananthasayanam Ayyangar: Sir, I discussed the matter with Government Members and I am satisfied, and I do not press those amendments. I am not moving them.

Mr. President: But I may generally state that I would not allow these last minute amendments to be moved except, of course, substantially agreed amendments. They will stand on a different footing.

Sri M. Ananthasayanam Ayyangar: May I request, Sir, that the present occasion may not be made the subject for this ruling. You may kindly reserve this decision to some other occasion. I do not press these amendments, and I accept the Act as it stands.

Mr. President: I am not giving any ruling or decision, but I am informing the House so that the Members may be guided better for the future and nobody may plead later on that he did not know this.

As there are no amendments, there is no point in putting the clauses separately. The question is:

"That clauses 2 to 27 stand part of the Bill."

The motion was adopted.

Clauses 2 to 27 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Mr. Liaquat Ali Khan: Sir, I move:

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

Mr. President: The question is:

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

The motion was adopted.

INDIAN NAVY (DISCIPLINE) (AMENDMENT) BILL

Mr. G. S. Bhalja (Government of India: Nominated Official): Sir, I move:

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934, as reported by the Select Committee, be taken into consideration."

I am glad to say that the Select Committee has recommended that the Bill be passed without any change. The Select Committee met twice and put to the severest scrutiny all the clauses of the Bill. Several points were raised during the discussion and they were amended to the satisfaction of the Committee. I shall briefly refer to the more important ones.

It was suggested that the merchant seamen who would come under the Naval Discipline Act although they were doing so voluntarily, there would be an element of economic compulsion inasmuch as, if a ship was requisitioned during the war either the seamen concerned would have to join Government service and come under the Naval Discipline Act or they would be forced out of employment. It was pointed out that although it was possible that on certain occasions a certain number of seamen may be thrown out of employment, that result did not follow from the provisions of this Bill. I should make it quite plain that this Bill does not seek to take powers to requisition vessels of any kind. Its sole purpose is to bring under naval discipline men who voluntarily agree to serve His Majesty's Government. The element of compulsion, if any, would flow from any legislation which would be introduced by Government to requisition vessels compulsorily.

The second point that was urged was whether seamen who would come under this Act would continue to exercise their privileges as members of a trade union, which they enjoyed before they accepted naval service. The Honourable the Leader of the House has given an undertaking on the floor of this House, and I

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repeat it, that there would be no objection to seamen entered under Section 90 of the Naval Discipline Act remaining as members of their respective unions for the purposes of furthering their interests in the merchant service. But they would not be permitted to do anything calculated to embarrass the Navy. Neither could they utilise their membership for the purpose of bringing about an alteration in the existing regulations, or customs or conditions of service in the Navy. No combination can be permitted of seamen in the Navy for such a purpose. I give a further assurance that this provision would be embodied into the Royal Indian Navy Instructions so that there could be no doubt as regards the intentions of Government in this matter.

A suggestion was made that the operation of the Bill might be restricted to an emergency or war. It was explained to the Members of the Committee that such an amendment would defeat the very object of the Bill. Section 90 of the Indian Navy Discipline Act, as it would stand, if this Bill was not passed, already gave powers to Government to compulsorily bring under naval discipline men serving on ships which would be requisitioned by Government. In fact, the Bill as it stands now is better from one point of view inasmuch as it gives discretion to merchant seamen to come under the Naval Discipline Act or not to do so. This provision has been found particularly convenient in connection with the employment of skilled men for short-term engagements on particular occasions. I shall mention only one instance. Several merchant seamen who entered service during the war as what we call "hostility only ratings" have been employed on ammunition dumping operations about which, perhaps we shall hear more in a day or two, as there is a Bill standing in the name of the Secretary, Works and Mines, on that subject. We could not bring these men under naval discipline if we did not have the powers which we have sought in this Bill.

I wish to emphasize that the Bill is absolutely voluntary in every sense. No man can be brought under naval discipline unless he performs two acts, both of which are of his own volition. One is that he agrees to serve His Majesty's Government and the other is that he agrees to come under the Naval Discipline Act.

With these words, Sir, I commend the motion to the House.

Mr. President: Motion moved:

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934, as reported by the Select Committee, be taken into consideration."

Miss Maniben Kara (Nominated Non-Official): As one of the signatories to the report of the Select Committee of this Bill, I rise to support this Bill. It has been pointed out by the Honourable Member in charge of the Bill that Section 90 in Clause 2 of the Bill is an improvement on the previous section. By this section the merchant navy personnel certainly gets a choice to join or not to join the Royal Navy. In normal peace times merchant navy personnel, not desiring to come under the Royal Navy has the choice to continue with his civilian job in the merchant navy as an employee of a private company. What generally happens, Sir, in times of emergency like war, is that a Bill or an Ordinance requisitioning, the ships of private companies is promulgated. If this particular section of this Bill, giving a choice to the merchant navy personnel of voluntarily joining, has to fulfill its object, then it follows that at the time of requisitioning of ships, a clause will have to be inserted whereby those who do not desire to come under naval discipline will get compensation from the Government. Sir, I therefore think that this Bill will not be complete in itself so long as a safeguarding clause giving compensation to those who do not desire to come under naval discipline is not inserted in the ship requisitioning Bill that the Honourable Member may bring forward in future. I personally think that, ship requisitioning Bill ought to have come first. By this Bill he is free not to come under naval discipline. But then, if his means of livelihood is taken away by another Bill, then you will appreciate that he will be compelled economically to come under the naval discipline. His means of livelihood will be taken away under the

emergencies of war. This point was fully debated and discussed in the Select Committee and it was pointed out to us that this particular safeguarding clause can be rightly brought up at the time when a Bill comes before this House for requisitioning of the ships. Therefore at this stage I express my view that at any distant date when such a Bill comes, this provision will be kept there, and its necessity will be taken into consideration in order to give effect to this Bill.

I am glad that the right of the merchant navy personnel to belong to trade union organisations is also accepted by the Leader of the House and by the Honourable Member in charge of the Bill who has assured that the necessary provision allowing membership of trades union will be included in the Royal Indian Navy Instructions. In view of these assurances I support this Bill as it has come from the Select Committee.

Mr. President: The question is:

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President: The question is:

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. G. S. Bhalja: Sir, I move:

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

Mr. President: The question is:

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

The motion was adopted.

SUGAR (TEMPORARY EXCISE DUTY) BILL

Mr. K. L. Panjabi (Government of India: Nominated Official): Sir, I move:

"That the Bill to provide for the completion of recovery of the temporary excise duty on sugar be taken into consideration."

The object of this Bill is a simple one. It is to facilitate recovery of Government revenue from income accruing to dealers in sugar as a result of purely fortuitous circumstances. This unearned advantage has been the consequence of the revision of the price of sugar. On the 23rd October, 1946, Government raised the ex-factory price of sugar from Rs. 16-10-0 to Rs. 20-14-0 per maund throughout India, except in the Punjab and the North-West Frontier Province, where weighted prices were sanctioned. Government took this step after carefully balancing the interests of the cane growers, the industries and the consumers. The prices of cane supplied to the sugar factories in the U. P. and Bihar are regulated by the Provincial Governments. These prices had not kept pace with the increase in prices of other crops. The price index was only 205 as against 292 in the case of food-grains. As a result of this disparity there was a decline in the area under cane. In the U. P. this occurred to the extent of 13 per cent. and it was reflected in the all-India production of sugar which declined from 12.4 lakh tons in 1939 to 9.48 lakh tons in 1945. This undesirable situation was considered by the Joint Sugar Control Board for the U. P. and Bihar, which includes representatives of the cane growers, the industry and the Provincial Governments. Its recommendation was that the price of cane be increased from Re. 0-14-6 in the U.P. and 15 annas in Bihar to a uniform rate of Rs. 1-4-0 per maund. This was endorsed by the provincial governments and the Sugar Control Advisory Board. The Central Government felt that as sugar and *gur* are important articles of food very much in demand, further reduction in production would be undesirable. The advice of the provincial governments and representative bodies of growers and manufacturers was that this could be checked only by increasing the prices of

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cane and sugar. These had been raised in the past but not to the same extent as other crops. It was therefore felt that there were special grounds justifying an increase which would bring them in parity with other crops.

An increase in the price of sugarcane necessarily involved an increase in the price of sugar. This was calculated at Rs. 4-4-0 per maund and included an allowance for a slight increase in manufacturing costs due to shorter crushing season and also for increase in the cost of wages due to reduction in working hours in the factories. The revised ex-factory prices of sugar were sanctioned with effect from the date of the notification. This would have had the effect of benefitting the manufacturers and dealers who held stocks of sugar on that date. The extent of the benefit was considerable and was estimated at Rs. 180 lakhs. There was no moral justification for letting this windfall accrue to the fortuitous holders of stocks and therefore in consonance with the practice in former years an Ordinance was issued on the same date levying an excise duty of Rs. 4-4-0 per maund on sugar held in stock on that date. The validity of the Ordinance, however, expires on the 23rd April and it is not practicable to complete the assessment of the demand and the process of recovery of the excise duty by that date. The Bill is therefore introduced to enable Government to complete the recovery processes initiated under the Ordinance.

The Bill follows the Ordinance in all respects except the provision under clause 3. This authorises the sellers to recover from the buyers an amount equivalent to the excise duty paid by them under the Ordinance. They were precluded for a short period from passing on this burden to the buyers, because there was a time lag before the local prices could be revised by the provincial governments. During this short period the sellers were at a disadvantage, for they were liable to pay the excise duty and could not increase the prices proportionately. The alternative of waiving the excise duty during this period would have resulted in large-scale evasions and would have rendered the collection of the excise duty difficult. Normally the excise duty was made leviable from the date of the notification but the sellers are permitted to recover the increase from the buyers.

This is not the first time that such revenue has accrued to the Government. In 1943-44 and 1944-45 similar excise duties of 13 annas and Rs. 1-7-0 respectively were levied. The total revenue realised in these two years was Rs. 195 lakhs. Out of this sum 75 lakhs were earmarked for compensation that may have to be paid to dealers in future if prices go down. A further sum of Rs. 75 lakhs was earmarked for assisting provincial schemes of development of sugarcane and Rs. 50 lakhs was earmarked for the development of the Imperial Institute of Sugar Technology. This year the estimated revenue of Rs. 180 lakhs will be credited to the general revenues. The Government have already under consideration a scheme to subsidise the sugar factories to meet the cost of the increase in wages and other concessions granted to the labour employed in the sugar factories in the United Provinces and Bihar. As I have mentioned, the Bill is innocuous and in the interests of public revenues. It will ensure recovery of unearned increment which legitimately belongs to the State. It is essential that the Bill be enacted well before the 23rd April, when the life of the Ordinance will expire. I commend this Bill to the House and trust that it will meet with its approval.

Mr. President: Motion moved:

"That the Bill to provide for the completion of recovery of the temporary excise duty on sugar be taken into consideration."

Dr. Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): The story of the protection of sugar is very woeful from the point of view of consumers. Sugar under normal conditions would have been sold at Rs. 4 per maund or ten seers per rupee in 1927-28. Then we levied an import duty of Rs. 7-4-0 in 1927. And unfortunately by the Second Finance Bill of 1931 we raised the duty, without any consideration as to how it was calculated, by 25 per cent. by the mistake of the then Finance Member, Sir George Schuster, and

the protection was raised from Rs. 7-4-0 to Rs. 9-1-0. Now this was a protection which we thought at that time that the industry did not need, and the result was that a large number of these industries came into existence and they raised the price to such an extent and adopted such measures that the capitalists collected the entire capital which they invested within three years, at the sacrifice of the sugarcane growers and the consumers. When we raised this question on the floor of the House and I brought repeatedly the terrors of these sugarcane manufacturers and the amount of pressure which they are bringing upon the sugarcane producers, the excise duty was levied at that particular time in order to equalise or balance the 25 per cent. rise which we had made in 1931. But we were given assurance at that time that the duty which we are imposing is really a kind of loan from the consumers to the industry and this loan will be paid in the form of the cheap price of sugar in later years. Then followed the war and everything was upset. We never demanded anything during the wartime. Whatever the Government did we allowed them to do as they always claimed that it was the war effort. The Government measures in the Assembly in the name of war efforts were accepted. Now that the war is over there is no justification for our continuing the same measure which we had allowed during the war, and that we should give the same profits as we have been giving them during the wartime. The time has come when we should think over the matter. That is the first point.

The second point is that the present Government had been condemning the previous government for introducing so many Ordinances for the purpose of control. Our present Government are, bringing those ordinances permanently on the statute book. The very same things which they condemned before, for temporary enactment, they are now doing permanently. At least when the National Government came into existence, though it may be for the interim period, we expected that we would have a more peaceful time, that we would have a time of ease and that all those troubles and privations which we suffered during the wartime would now gradually cease to exist. But our experience now shows that it is just the reverse. The privations and the troubles of the poor people after the war are becoming more acute than they were during the wartime. They are now taking each Ordinance one after another and putting them on the permanent statute book. In the case of an Ordinance there was an opportunity to discuss after short intervals of about six months. But in this case they are putting it permanently on the statute book. There will be no revision unless somebody puts forward a Bill saying that the Sugar Excise Act should be repealed. This is the point of view which we ought to consider and I hope my friend Mr. Panjabi, who represents the Food Department, will do so.

This system of changing the Ordinances into permanent legislation in the statute book should cease. We would prefer that you extend this Ordinance for another short interval so that we may be able to exercise our judgment after a short time. It is a great irony of fate on us that you are now changing this Ordinance about which we could not complain at that time on account of the war conditions, and putting it permanently on the statute book. I think you ought yourself to consider what you would have done if the previous Government had brought it as a permanent measure.

Mr. President: I am afraid there is some misunderstanding unless I am misreading. This Bill, I take it, is not for the purpose of continuing the levy of excise duty. That is not going to be continued. Am I correct?

Mr. K. L. Panjabi: Yes.

Mr. President: But it is to complete the recovery. The levy is already there. Demand notices are issued as the Honourable Member said, and unless the provisions continue the recovery cannot be completed. That is the whole position.

Dr. Zia Uddin Ahmad: It ought to have been provided "This Act will be in force for so many years". Give a time limit. If you had put it at one or two

[Dr. Zia Uddin Ahmad]

years or more years it would have been intelligible. But you are bringing this permanently on statute book. There is no time limit here. Will this expire after some time?

Mr. President: The point is, as I pointed out to the Honourable Member, that certain liabilities are incurred under that particular Ordinance. Steps have to be taken to enforce the liabilities incurred, and it is only for the purpose of completing the recovery that this Bill is brought. The moment all dues are recovered, this will automatically lapse. That seems to me to be the position.

Mr. K. L. Panjabi: May I invite the Honourable Member's attention to clause 2 of the Bill? That explains that the object of this Bill is only to complete the recoveries initiated under the Ordinance.

Dr. Zia Uddin Ahmad: You have to mention that this Act will cease to operate after a certain period.

Mr. President: It will cease to operate as soon as the recoveries are made.

Dr. Zia Uddin Ahmad: Even if a small sum is left, this Act will continue on the statute book. I want to know whether after some time it will be repealed or it will remain permanently on the statute book.

Mr. K. L. Panjabi: It will remain permanently but it will cease to be operative as soon as its purpose is served.

Mr. President: The position seems to be clear, that the Act will cease to operate as soon as the recoveries are made. The recovery might take one year or two years. It all depends on the official machinery going slowly or fast. The moment the recoveries are made the Bill lapses. It will remain as a historic piece on the statute book. In that sense it will remain permanently. It will be a spent force, a dead letter, on the statute book after some time.

Dr. Zia Uddin Ahmad: I am not very pleased with this. This is just like Regulation III of 1818. Though it may be a dead letter, it will be used later on. I want a time limit to be fixed after which the Act will be repealed. If that is not done, it may be used again.

Mr. President: The question is:

"That the Bill to provide for the completion of recovery of the temporary excise duty on sugar be taken into consideration."

The motion was adopted.

Mr. President: The question is:

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. K. L. Panjabi: I move:

"That the Bill be passed."

Mr. President: The question is:

"That the Bill be passed."

The motion was adopted.

INDUSTRIAL DISPUTES BILL

The Honourable Shri Jagjivan Ram (Labour Member): Sir, I move:

"That the Bill to make provision for the investigation and settlement of industrial disputes, and for certain other purposes, as reported by the Select Committee, be taken into consideration."

As it is clear from the Title of this Bill, the Bill is intended to promote good relations between the workers and the employers. At this stage I do not want to make any speech. If necessary, I will meet the points that might be raised during the debate afterwards. With these words, I commend the Bill for the consideration of the House.

Mr. President: Motion moved:

"That the Bill to make provision for the investigation and settlement of industrial disputes, and for certain other purposes, as reported by the Select Committee, be taken into consideration."

Mr. N. M. Joshi (Nominated Non-Official): I rise to oppose this motion. When the Honourable Member made the motion that his Bill be referred to a Select Committee I had opposed that motion also. I was opposed at that time and I am still opposed to the principles underlying this measure.

The two main principles of this measure are compulsory adjudication and making strikes illegal, if they are resorted to without notice in public utility service, if they are resorted to during conciliation proceedings, during proceedings before tribunals and also during the period covered by either voluntary or compulsory settlement, voluntarily accepted or imposed by Government. The Select Committee has not modified any one of these two principles in any material respects. I have therefore no other course open to me but to oppose this motion.

I do not wish at this stage to repeat the arguments which I adduced in opposing the principles of this measure. I shall very briefly state that so far as compulsory adjudication is concerned, the working classes are opposed to it and would very much like to have a settlement made with the employers, to have any grievance which they may have against their employers being settled by voluntary or mutual agreement, the implications of which they know and which they have accepted, knowing all the implications and the effects of that agreement. The working classes consider arbitration or adjudication as a leap in the dark. You may take the grievances of the workers before a tribunal. They do not know what decision the tribunal will give and it is for that reason that the working classes always prefer a voluntary agreement, voluntarily entered into, the effect of which they know very well and the responsibility for which they also take, knowing all the effects. Unfortunately, Sir, the Government of India and this legislature have approved of the principle of arbitration. After having considered all that was said in the Select Committee and all that was said here on the floor of the House, I am still unconvinced that compulsory arbitration will do good to the working classes in his country. It may also in my humble judgment not be useful in securing the object which the Government has in view in bringing forward this piece of legislation namely, the establishment of good relations between the employers and the employees.

The second principle of this Bill is to make strikes illegal. Now, Sir, let me make it quite clear that I am not a believer in the policy of strikes. At the same time, I am not one of those people who would take away the strike weapon from the hands of the working classes. I have known from my experience of many years that, although some of us may not like to resort to strike as a matter of policy, we have not yet converted either the employers or the Government to our view. They still believe that nothing need be done if there will be no strike; and when strikes do take place, then only they try to put them down. My experience shows that even Governments, when they are asked to appoint Boards of Conciliation do not appoint them unless and until they know that a strike will take place or unless and until a strike actually takes place. Those who are dealing with railway labour know it very well that on many occasions they asked the Government of India to appoint either Courts of Inquiry or Boards of Conciliation to consider the grievances which they have against the railway authorities in this country. On many occasions requests for the appointment of a Board of Conciliation have been refused. Under these circumstances, to deprive the working classes of this country of the only weapon of which either the employers or the Government are afraid or the only weapon of which the employers or the Government will take notice of will be doing a great harm to the working classes of this country.

[Mr. N. M. Joshi]

Besides these two principles to which I am opposed under the present circumstances, the Bill contains many clauses to which I also take objection. The Government of India is providing machinery for conciliation and also machinery for adjudication. The period allowed to be spent in these two proceedings is, in my judgment, too long. The Government of India by this Bill is providing that the conciliation proceedings may last even four months. Now, Sir, many of us—I do not include you in that—have not got such a great patience as to wait for our grievances being removed for four months. According to this Bill, as my Honourable friend Mr. Griffiths says, you require infinite patience, because the Bill lays down a period of four months for the completion of the proceedings for conciliation. Then, the Government may appoint a Tribunal for which no period is fixed at all to complete its proceedings. Therefore, to expect the working classes to have faith in a machinery of this kind is to expect them to have patience which I, at least, do not possess. My fear is that if this Bill comes into operation and the working classes find that the removal of their grievances takes a long time, they will completely lose confidence in any proceedings of conciliation and also in proceedings for adjudication. And you are likely to have more strikes then, than you are likely to have now. I therefore, feel that it is wrong to enact a law which will not only not strengthen the confidence of the working classes in a peaceful settlement of their disputes but which will tend to sap their confidence and encourage them to resort to strike action. Moreover, these methods of making strikes illegal, when people may not have patience to remain in a condition in which their grievances are unremedied, not only encourage them to take to strike action but my fear is that, when we encourage the working classes to strike action, we do greater mischief. The working class in this country, though our country is not yet fully industrialised, is sufficiently large in number; and if you create a habit in the minds of these classes to go on strike, it will be difficult for Government to deal with those strikes. You may make a law making strikes illegal, but it is not always very easy to enforce that law. That is what pains me much more. A man who believes in the principles of revolution does not mind the working classes imbibing a habit of going on strikes and breaking the law. But unfortunately I am not a revolutionary; I believe in constitutional methods. I, therefore, feel that if you pass a law, which you will not be able to enforce, you will be encouraging a revolutionary tendency in the minds of the working classes of this country. That is what has happened many times in our country and that is what is exactly happening even today in our country. Strikes are illegal even under the present law, the Defence of India Rules. Can anybody say that strikes are not taking place in India at present? Everybody has said in newspapers and in this Legislature that there are more strikes today in spite of the existence of the Defence of India Rules than they were ever before. Today strikes are taking place, a large number of which are illegal. They are taking place everywhere in every province and the governments find themselves helpless. Very recently I heard of a strike that took place in Cawnpore. I heard also that the Government had declared that strike to be illegal but

4 P. M. the strike went on for 17 days or perhaps more and the U.P. Government helplessly watching that strike. What is the use of such a law? A revolutionary likes a law which people get into the habit of breaking every day so that his revolution may come earlier. But, Sir, again I repeat, not being a revolutionary, I am opposed to Government passing a law which will encourage people to be revolutionaries. I want respect of law to be maintained. But if you pass a law which people cannot obey, you destroy respect for law. People resort to illegal action. You are unable to check it and you therefore encourage a spirit of revolution which you may not like and you may not be able to prevent it. That is why I do not like strikes being made illegal so lightly.

Besides, the delay, there are one or two other matters to which I should like to draw the attention of the House at this stage. Sir, in this Bill the Government have not realised the relative positions of the two parties, the employers and the employees. It seems to me that they regard them as being equal under the present circumstances, in all respects. In this Bill in some clauses penalties have been imposed by way of fine to an equal extent on the employer and on the representatives of labour.

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

Sir, the Government of India must realise that a fine of Rs. 100 or Rs. 500 or even Rs. 1,000 imposed on a capitalist is not going to have the same effect as a fine of Rs. 1,000 imposed on a representative of workers. Such provisions are at present found in this Bill in spite of revision by the Select Committee. Then, Sir, the Government of India makes strikes illegal without notice. In order to show that they treat the employers and the employees alike, they make lockouts illegal. To make lockouts illegal does not really bring about equality between employers and their employees. We do not hear of lockouts so much these days as we hear of strikes. Why? Because in the case of an employee when he does not approve of the conditions under which he is working, he has no other remedy. His only weapon is to stop work, but his employer is not in that helpless condition. If an employer does not like the conditions under which his employees are working, if he wants to reduce the wages, if he wants to increase hours of work, he can do these things himself. If he wants to do something else, he can do it himself. He does not require a lockout in order to change those conditions.

Mr. Vadilal Lalubhai (Ahmedabad Millowners' Association Indian Commerce): How can he increase the hours of work?

Mr. N. M. Joshi: He cannot exceed the maximum laid down by law, but he can certainly increase the hours of work if they are below the maximum laid down. Therefore the employer is not compelled to lockout his men in order to secure the changes which he wants to make. But an employee has no other course. His only weapon is to cease work. Therefore if we want to bring about equality between the employee and the employer, then when you make strike illegal what you must make illegal is not only lockout by any change in the conditions of work to the disadvantage of the employee. That to some extent will bring about equality between the two parties. But this Bill is not doing that.

These are some of the points which I wanted to bring to the notice of the House at this stage. I have several other things to say about this Bill but I shall allude to them when I move my amendments. Sir, I oppose the motion moved by the Honourable the Labour Member.

Sjt. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): Sir, at the time when this Bill was referred to the Select Committee, many considerations were urged in this House with the expectation that they would be taken into consideration by the members of the Select Committee. Now, Mr. Deputy President, I have worked in many Select Committees in the course of the last twelve years. But when I read the report of this Select Committee, I came to the conclusion that it was a category by itself. If the House were to refer to the report, the House will find that there are no less than five Minutes of Dissent. Out of 17 Members, there are only six who have supported the Bill as reported by the Select Committee without writing anything like a Minute of Dissent. Curiously enough what these six people have agreed to is given to us as the report of the majority. Now, Sir, this is evidence to show how. I do not say exactly party interests align themselves, but how class interests, political interests in a modified sense align themselves even in the common and informal atmosphere of the Select Committee. Mr. Deputy President, you will find that the first Minute of Dissent is signed by

[Sjt. N. V. Gadgil]

the Honourable Member in charge of the Bill, the Chief Commissioner for Labour and two other non-official Members of the House. Of course their point of view is worth considering. There is no doubt about that. Then the other Minute of Dissent is signed, I do not say by the 'Three Musketeers', because one of them happens to be a lady, by the three representatives of labour, Mr. Joshi Miss Maniben Kara and Mr. Guruswami. The third Minute of Dissent is added by the Members of the European Group, and the greatest subtlety one would find in that. The fourth is by Sir Cowasjee Jehangir—he is alone by himself; and the last one is by the representative of the Millowners' Association from Ahmedabad, my esteemed friend Mr. Vadilal Lallubhai. Having gone through these five Minutes of Dissent and the main report the ordinary layman who takes some kind of interest in labour disputes is really confused, and he has great trouble to think out for himself what particular line he should follow. I therefore propose to take that line which I call the line of common sense, although it is very uncommon nowadays. I look upon this problem as not essentially a problem between employers and employees but a problem which has a high social significance, a problem which involves not only industrial peace but peace at large in society. Matters which are now happening and which have happened in the course of the last 12 years make it necessary even for those who were ordinarily in great sympathy with labour movements and labour aspirations to cry halt and move rather cautiously hereafter, so that whatever happens may happen more peacefully and in a more orderly manner.

Now, Sir, in the year 1946 not less than 935 strikes occurred in the first six months, from January to June. I tried to ascertain the latest position but could not do so, but I will not be far from truth if I were to say that things have not improved even since then. Take any newspaper: the first thing one meets is news of a strike, and in the next line we find the Chief Commissioner of Labour, Mr. S. C. Joshi, flying now to Karachi, now to Calcutta, now dipping into the coalfields of Bihar, sometimes in the tea plantations and sometimes elsewhere. In these days, specially when the times are so unsettled and tempers are not what they used to be, if strikes are not tactfully handled anything may happen. I do confess that this situation is not a speciality of our country; in fact, as I said, if you take any newspaper you will find a transport strike in England, another strike in America and a third in France; all over the world it seems that strikes are the order of the day. And the loss in point of and in terms of production which it entails on the community is very difficult to estimate. But apart from the loss in terms of production, the entire system of distribution is affected to the disadvantage of the consumers. For example, there was a strike in the marine transport department of the U.S.A. a few months ago. The result was that India which was to get some food-stuffs from that country could not get them in time; and so this country has had to pass through a hard period of scarcity, and even now that period is not over. Therefore when I say that this is a problem which has assumed a very high social significance in the context of circumstances which exist today, it is all the more necessary for us to tackle it not in a mood of fun or frivolity but with the highest sense of responsibility, for it means that either we make our future or we mar it for good.

Now in the course of the last six years, and particularly while the war was on, I know, because of the provisions of the Defence of India Act, that labourers were suppressed; they had no opportunities, although occasionally some of their grievances were sought to be redressed or removed by the provincial Governments, or the Central Government, or by private employers at the instance of or under pressure from Government. But as soon as the war was over and there was some sort of freedom to move about, the result has been that there has been labour trouble all over. I know and I appreciate the fact

that prices have not shown any tendency to come down; on the contrary, if anything, they still continue to go up. The result is that whatever additional or interim relief the private employers or Government may have been pleased to give, whenever possible, it has always been found insufficient, and the grievance remains as it is. In these circumstances some way has to be found; and unless there is an atmosphere appropriate for the consideration and settlement of disputes nothing is possible, and mere shouting and slogans will not either reduce the price or add one grain to the production of cereals in this country. My Honourable friend Mr. N. M. Joshi knows very well that in the course of the last six or seven years the urgency of some such legislation was pressed on Government, not so much by those who represent the employers but by various trade union interests and trade union organisations. In fact the justification for such a measure is that labour is not organised everywhere; and, that being so, it is impossible to make the employer agree to anything unless there is a power under which it can be done. In the Bombay Presidency a similar Bill has been already passed in the lower House; it has been considerably improved in the Council, and I understand that in a week's time it will be put on the statute-book in that Presidency. While that Bill was in the third reading stage my friend Mr. Dange than whom you cannot find a stronger and more insistent advocate of the rights of labour said that now that the Bill was going to be put on the statute-book he would be the first man to take the utmost advantage of it. It was pointed out to him by the Minister in charge of the Bill in the Bombay Legislative Assembly that Government were asked to arbitrate and interfere on behalf of labour for whom they had nothing but sympathy, but Government must be armed with the necessary power under which it would be made compulsory for the employers to accept arbitration; and the result of that arbitration would then be enforced by Government. Unless there is some such power conciliation, or even a board of conciliation or, for the matter of that, even a court of inquiry will be of no avail. The Conciliation Officer can only move within certain limits, but when the parties do not come to any understanding, however tactful he may be, however considerate he may be, he is not bound to succeed beyond that. All that he can secure is less abuse between the employers and the employees. I might say that the same thing applies to the Board of Conciliation. The members may do their best, but whatever the members may do, unless it is accepted by the employers on the one hand and accepted by the employees on the other, it remains merely a pious wish.

As regards the Court of Enquiry, Mr. Deputy President, it has only a limited role. It is a fact finding machinery; if any fact or facts are in dispute between the two contestant parties, the Court of Enquiry has undoubtedly a place in the whole machinery because the facts as they may be found will be taken into consideration in ultimately arriving at what would be a fair settlement of the whole affair. But what is really important is that there must be arbitration and the decision of the arbitrator must be fairly binding on both the parties. Now, this Bill was circulated to ascertain public opinion by an Executive Order and from the opinions circulated to the Members of this House I find that the two important labour bodies, namely the All-India Trade Union Congress and the Indian Federation of Labour, have sent in their views. They have taken a number of objections, they have also suggested many improvements, but they have not gone so far as to oppose the whole Bill lock, stock and barrel as seems to be the attitude of my Honourable friend, Mr. Joshi, here. Now I will only refer to the main objections taken by these two bodies. The first objection, and which to me seems to be the most important, is that under this Bill the right to strike is taken away. This is what the Indian Federation of Labour says:

"The proposed legislation will therefore be highly prejudicial to the workers' right to strike and thus weaken their bargaining power in all disputes with the employers."

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The same thing is suggested by the All-India Trade Union Congress which says:

"The General Council is opposed to this provision as the right to strike is a legitimate weapon in the hands of the workers to secure improvement of their conditions."

Now what is sought to be done in this Bill and what has been done in the Bill to which I made a reference, namely the Bill that has been passed by the Bombay Legislative Assembly, is not to take away the right to strike. In fact, Sir, by the passage of that Bill in the Bombay Legislative Assembly and by the passage of this Bill in this House the right to strike will be secured. Otherwise will my Honourable friend, Mr. Joshi, point out any law here under which this right to strike is given? There is no law.

Mr. N. M. Joshi: We do not want any law to restrict that right.

Sjt. N. V. Gadgil: Inasmuch as there is no law and if there is any law which takes notice—may not be directly but indirectly—of such a right and prescribes conditions under which it can be exercised, one thing clearly comes out of that, namely that the right has been admitted and only its use has been restricted. Now, in this Bill what is done is not to take away the right to strike; it is perfectly open to any worker or any combination of workers to use it, but this right has got to be exercised for certain definite purposes, not for the mere fun of it. Why people strike? If we analyse the causes for which this extreme weapon is resorted to, leaving aside political strikes which now-a-days are not infrequent nor very few, but leave aside those strikes and let us confine to strikes which are really for the furtherance of trade union purposes or *bona fide* removal of grievances and improvement of conditions of work. I then say that if the objective of any strike is to improve conditions of work, to secure addition in wages, you must admit that all these are possible either by voluntary action of the other party to the bargain, namely the employer, or under some law these things are secured, otherwise the right to strike becomes a meaningless thing altogether. Now, if you want to improve the conditions, to secure addition in wages, I know that both these Associations, namely the Federation of Labour and the Trade Union Congress, have referred to radical remedies. One of them has referred to the minimum wage:

"This meeting of the General Council, therefore, requests the Government of Bombay immediately to legislate for an immediate wage and decent working conditions and in view of the fundamental drawback of that Bill ask the Bombay Government to withdraw it."

I agree, Sir, that there must be a law of minimum wage in every industry, every section of the industry, in every area in which one can suitably have it, but if we cannot do it now it does not mean that we should not try to improve the position by some other method, and as a matter of fact my Honourable friend, Mr. Joshi, knows that the Bill for regulating wages, for fixing minimum wages, is already on the Order Book and a reference to Select Committee will be made in due course of time. Now, so far as the radical remedies are concerned, the House will agree with me that some such thing is coming, and I have no doubt the House will give its support to that. But so long as that is not possible, what shall be our approach to the problem. Shall it be that we do nothing, and allow things to move in the old way. A few years ago the Government never thought that it was their concern to interfere in labour disputes. I quite remember that about 15 years ago the Governor of Bombay stated that the business of the Government is to see that law and order is maintained and the two parties, namely capitalists and labour, fight within the ring. "We will clear the ring", he said, "and allow them to fight inside, and we do not mind what fate awaits them." Curiously enough it is the same attitude which has been expressed in the Minute of Dissent written by the two members of the European Group where they say:

"... In our view it is right that conciliation proceedings should be made compulsory but if they fail, employers and employees must have the right to fight out their dispute. . . ."

Now an attitude of that kind is not the right one, nor is it a right approach for the solution of that problem. I submit, Sir, that it is the duty of the Government to interfere in labour disputes, firstly to secure industrial peace and avoid strike. But that alone cannot be the object of the Government. Government can, with increase in their forces of law and order silence the voice of labour. It can declare all labour unions as unlawful assemblies. It can go still further and shoot down labourers if they combine and picket and indulge in other activities which are not to the taste of the Government, or of the capitalist or of the employers. But that is not the objective and should not be so. The objective must be that industrial peace should be secured by securing justice to the labourers. That should be the objective and I would not rest at mere industrial peace unless I am sure that it is the result of fair wages, fair conditions and the result of contentment and satisfaction at least on the part of the labourer. Now what shall we do in these circumstances? Can we all of a sudden nationalise all our industries? It is impossible. Let us be practical and accept the economic facts of the capital system today for the simple reason that we cannot with a magic wand turn the whole thing into what we want. On that assumption I think this Bill is based. I do not think the author of the Bill claims that it is so radical that it is going to revolutionize the life of the worker or revolutionize the entire system of production. I do not think he makes that claim. He simply accepts the economic facts of the capital system today and is trying his honest best to improve matters with a view to give a fair deal to the labourer. Now in this Bill, right from the time when there is the apprehension of a dispute, machinery is devised whereby at every possible stage, at every possible step, attempts are being made to have an amicable settlement. There is the provision for works committees. The precise function which they are to perform is described in the relevant sections. Every work committee shall, as far as possible, try to establish an atmosphere of goodwill and amity and petty matters which often are magnified into industrial disputes leading to cessation of work, will be avoided. I know that in the History of England it is said that a war started because some Jenkins ear was cut, with disastrous results. Often it happens that because a certain secretary of some union was not granted an interview with the Manager that becomes a *casus belli* for the union to press its claim and then there is a strike and all other things happen. Therefore, these petty matters which often happen and which lead to such consequences will be avoided by the institution of works committees which will consist of representatives of the workers and there is a good provision as I find from the report of the Select Committee that these workers' representatives will be appointed after consulting relevant registered trade unions. I do not think any member, representing labour here, or any man who has the real interests of the labour movement, will object to this proviso, namely that they should be appointed in consultation with registered trade unions. The other day a question was asked of the Honourable Member in charge of Labour as to the exact number of trade unions and how many of them submitted accounts. Out of 1251 registered trade unions for the year 1945, because that is the year for which latest figures are available, only 591 submitted their accounts. That is not a very happy state of things. But there is a provision also that if accounts are not given registration may be cancelled. In view of this, if you want to improve the standard of working conditions, you must at the same time improve the organization which is supposed to look after the interests of workers. Therefore if some such provision is made that representatives of work committees should be appointed after consulting trade unions which are registered. I think no exception could be taken.

Then at the second stage, the machinery provides that if there is again a dispute or a dispute is apprehended, the Conciliation Officer will call the parties together and will try to bring about some sort of settlement. If the

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settlement is arrived at well and good. Otherwise he will make a report. The Government may, and in some industries it must appoint a Board of Conciliators, the constitution of which is also given in the relevant clause. That Board will also try at the third stage to secure peace. I am reminded of what Churchill said when Neville Chamberlain flew to Munich three times: "Fly, fly again". So in this case, let us try, try again. Try conciliation once, twice and even thrice. And unless Government comes to the conclusion that it is no longer possible merely by voluntary negotiation to reach a settlement, only then Government will and must have a right in the interests of public peace and in the interests of consumers to refer the matter to arbitration and the award of the arbitrators should be binding on the parties concerned. If during these three stages—either by obstinacy, or even by honest intention—I put it on both grounds—the parties do not come to some settlement, will you not concede this much right to the State which of course by its very hypothesis is supposed to look after the interests of the labourers and the capitalists, the producers and the consumers, that it should have the right to interfere, or should it merely become a police State, charged with the maintenance of law and order not to interfere in labour disputes and remain indifferent till there is bloodshed? Is that your idea? I think, Sir, we have moved much further. There will be nobody here to dispute the right of the State to interfere. There may be objections, very honest and very valid objections for the matter of that as to under what circumstances and under what conditions the States ought to interfere. I am personally of the opinion that in the interests of the labourers, especially Indian labourers when they are not properly organized—only 8,83,000 are members of the 1,251 trade unions registered in 1945—nobody can object. And when we see that out of these not even 40 per cent. know how to keep their accounts, or do not keep them, it is in the interests of the labourers themselves that I would ask the Government to interfere and especially, Sir, when we find in this country that certain political parties are out to do all sorts of mischief. The parties want to use labour unrest for their own ends, when they know certain things to be facts and yet they misrepresent them in such a manner as to create panic in every sphere of industry, I think, Sir, that it should be the business of the Government to see that on the one hand honest trade unionism is encouraged and on the other hand to see that as many conflicts which are likely are avoided and avoided in time. As I said in the beginning of my remarks it is not a question between the employers and the employees alone. It is a question which has a social significance. Suppose the textile workers down tools. Already there is a shortage of cloth. If for one reason or another they down tools and if you only say that there is voluntary arbitration, and there is no provision for bringing the employers—or the millowners—and the labourers together to accept compulsory arbitration, I want to know what will be the position of this country. My friend Mr. Joshi may have half a dozen suits to go on with for the rest of his life and he may not be very much worried. But what about those in the mofussil? Is it not the business of the Government to see that production of essential articles is kept up and they are supplied at least in a fair measure to every citizen in this country. They should see that those things are produced and production ought not to suffer, because of the obstinacy of one party or the other. I will go a step further. Supposing the textile interests or the millowners do not accept it, as was done in America during wartime, the Government should take possession of the mills and run the industry at least for the time being till sense dawns on the millowners, because the need of the consumer or the general public is supreme. All other things must stand down if the exigencies of the State, in other words the exigencies of the population, require it. In such abnormal circumstances if compulsory arbitration is not resorted to I want to know what is the alternative remedy? I see none.

I know that there is some theoretical objection to compulsion. Yet in emergent or abnormal circumstances resort must be had to such a course. Compulsory arbitration is not so unknown in this world. It is already in existence in some of the Latin American countries and in some States in Australia. It is not such a thing that this Bill introduced it for the first time. I am not prepared to give that much credit to my Honourable friend Mr. Jagjivan Ram. I therefore submit that the objection raised by the two labour organisations, *viz.*, the right to strike is taken away, is not well founded. It is not taken away. But even if it is restricted it is restricted in their own interest, because it cannot operate in a vacuum without certain limiting circumstances. If a strike has started and it is there, when the ultimate stage is reached, *viz.*, the Government interferes and refers the matter to the arbitrator, it is only fair that both the parties must put their respective points of view before the arbitrator and the arbitration proceedings should work in an atmosphere as peaceful as possible. Therefore from that date the strike ought not to continue. In other words the continuance of the strike is illegal. The strike is not illegal *ab initio* but it becomes illegal because the Government at a certain stage interferes and promises an alternative method, whereby the workers can get their grievances redressed. Therefore to say that the right to strike is denied or taken away is wide of the facts.

Other people may object and ask why should there be notice to strike. It will become impossible in this world to carry on any industry or trade if the employer does not know that his men will turn up on the morrow. He must have some security and some confidence that what is happening today will continue to happen tomorrow. Otherwise the very basis of society is undermined. I know that I can safely come from my quarter to this place because I know that there is the police in charge of the traffic and there is the police to secure my safety. But if the police were to say "Yesterday we did it but today we are on strike without notice", then there will be no security or confidence. In fact all social relationships can only work in conditions of some security or faith that people will continue to obey or carry out each other's obligations, that they will continue to discharge whatever obligations circumstances cast upon them. Therefore if you allow the workers this right to strike without notice and if the consequences, as I said, were confined only to them and their employers I would not have minded it very much, although I do not like it but the consequences are social and production suffers and the people at large are inconvenienced. Suppose tomorrow the employees of my Honourable friend Dr. John Matthai go on strike. I cannot go and attend my daughter's wedding. The train will not take me. The telegraphist will not even put my message on the lines, because they may also be on strike. If everybody were to do that without notice, life will become impossible. Therefore it is incorrect to say that because the Bill lays down that there must be some notice of 10 or 14 days it takes away the right to strike. On the other hand the period of notice is usually utilised to investigate the grievances and if possible to come to some understanding. It is utilised also in the investigation of certain facts which ultimately may be referred to a court of enquiry as is provided in this Bill.

Dr. Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): What is the difference between indentured labour and compulsory arbitration?

Sjt. N. V. Gadgil: Indentured labour has no voice anywhere. Compulsory arbitration is only a phase in a scheme which is based on co-operation of the two parties.

Dr. Zia Uddin Ahmad: You are gradually leading to indentured labour.

Sjt. N. V. Gadgil: I think my Honourable friend would do well to refresh his memory about the meaning of these two words from the latest Oxford Dictionary. No right to strike is taken away. On the other hand this Bill helps the labourer and at the same time safeguards the interest of the consumer.

There are other matters which are referred to in the various minutes of dissent but I do not want to take the time of the House further. There are certain other matters in the clauses but I would rather prefer not to say anything at this stage but may offer my remarks if and when they become necessary.

Sir, I support the motion.

Dr. Zia Uddin Ahmad: I had no idea to intervene in this debate, but on account of the advocacy of my friend who has just taken his seat I am compelled to say a few words. We have been condemning—and I think he will also condemn—this question of indentured labour. We have passed several resolutions and Bills against indentured labour. This compulsory arbitration which he is advocating is really one step towards indentured labour. I admit it is not exactly like indentured labour but it is leading to it if it is not properly safeguarded against every danger. My friend is appealing to the consumers whose interests he is safeguarding. It is really a question between an employer and an employee, and both of them exploit the poor consumer, so that he does not come into the picture at all. It is a question between them.

Diwan Chaman Lall (West Punjab: Non-Muhammadan): Workers are also consumers.

Dr. Zia Uddin Ahmad: My friend says that workers are also consumers in the same manner as Sir Joseph Bore said on the floor of the House, when I asked him that consumers' interests were not represented, that he was the representative of the consumers. He is a very poor representative of the consumers who neither belongs to one party or the other. In this sense everybody would be a consumer in whatever position he may be. By consumer we mean a person who is not an interested party, who is neither an employer nor an employee. Therefore his interest does not come into the picture at all. This is the point which I have been pressing that we must consider in all these cases, namely the consumers' point of view. When an appeal is made to the consumers' interests it is ignored altogether. I pointed out the other day that the putting of a certain number of bank notes does not help an industry very much. The industry flourishes on account of the work put in by the worker. Unless you make the workmen contented and pay them their due wages, unless you make the workman feel that he is a business partner you cannot get the best work out of him, because he has no interest in the industry at all. The capitalist inherits some money in the shape of securities or high denomination bank notes. Because he earned some notes from his forefathers he thinks that he is improving the industry by investing this money. He is not. The industry is really improved by the hard work of the labourers themselves. I like to emphasise to these capitalists with all the force at my command that they should really banish from their minds this fact that their notes or bank deposits are promoting the industries. They are the persons who are trying the formula that money attracts money. They do not care how the labourers live. They only care about fat dividends. And they only prepare their accounts in order to evade the income-tax officers. In fact, as was pointed out, they have three systems of accounts: one a private account for themselves; another for the shareholders; and a third for the income-tax officers. So I think in this case unless the capitalists use their resources for the good advantage of the country—and the major portion of the country consists of the workmen—you may take it for granted that the manipulation of accounts evasion of income-tax, and cheating the shareholders will not pay in the long run. It may be successful for the time being, but in the end it will not.

You will see that those people have been pressing very hard that the land should be divided among the people who cultivate it. What right have the landlords got to own so much land is the plea that has been brought forward in order to annihilate the landlords. But the same principle is neglected when they come to the question of the capitalists in the industries. If it is a sin for one man to own a hundred villages is it not equally a sin for an industrialist to own hundred different factories? Is it not a sin for him to own practically all the newspapers of the country? Now most of the newspapers of the country are owned by two or three big businessmen. Do you call it a fair use of the bank notes that you monopolise public opinion in this manner? If the owning of a hundred villages is a sin, then I think it is a greater sin to own so many newspapers and to really occupy a position of having the monopoly of the whole of public opinion by having all the newspapers. And it is equally a sin to have a large number of factories and employ a large number of labourers and refuse them comfortable living and freedom of action. You must be consistent throughout. I would press this very hard. Abolish the capitalists, not only the capitalists who possess land but the others who really monopolise all the industries for themselves. They dictate the prices, they rule the markets and do everything else. They are really doing a charity—charity not to the people but in this case charity at home. My friend who represents labour, does he represent the labourer or the capitalist? I put this question to him. Let him put his hand on his heart and reply me whether he is safeguarding the interests of labour or of capitalists.

The Honourable Shri Jagjivan Ram: I know where I stand.

Shri Mohan Lal Saksena (Lucknow Division: Non-Muhammadan Rural): May I know whom my Honourable friend Dr. Zia Uddin represents?

Dr. Zia Uddin Ahmad: Poor consumers, neglected by the capitalist, neglected by the Government, whatever that Government may be. I thought probably the old Government only was neglecting the consumers, but the present Government is proving no better.

Shri Mohan Lal Saksena: Why don't you consume the government?

Dr. Zia Uddin Ahmad: But for you.

Mr. Deputy President: Order, order. The Honourable Member must not be interrupted in his speech.

Dr. Zia Uddin Ahmad: There ought to be some consistency. My Honourable friend the Labour Member should put his foot down on everything which is not for the benefit and advantage of the worker. The only one thing which I suggested and pointed out repeatedly—and I think he should take it up with both his arms—is that in every industry, whatever it may be, the labourers should be treated as business partners. They should have a share in the profit. They should come to regard it as their own firm and not the paid employees of a capitalist who has no other interest in the industry itself except to have his own dividend. Unless this thing is done I am afraid this legislation will not bring contentment among the labourers. It will create some troubles, and one trouble may lead to another trouble. Therefore I am afraid that this Bill will not solve the question. My Honourable friend should raise the position of labourer who should be treated as business partners.

Mr. Deputy President: Does the Honourable Member want to continue?

Dr. Zia Uddin Ahmad: No.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 11th February 1947.