

[Prof. Shibban Lal Saksena]

amendments to money Bills. I do not see why this article should further restrict the powers of Members of Parliament from bringing forward Bills relating to taxation in which the States are interested.

The fact that Members of Parliament may not be permitted to bring Bills on their own account which may affect taxation in which a State is interested is an infringement of the inherent right of the Members of Parliament. Why should they not be allowed to bring forward Bills in which their States are interested ? If the majority in the Parliament is opposed to it, it shall be thrown out but why should a Member be restricted from bringing forward such a Bill ? But if any Member feels that a particular taxation affects his province or is not fair or proper, he should be entitled fully to bring that point of view before the Parliament. He may belong to a Party which is in Opposition and Government may not bring forward that Bill. Why should he be precluded from bringing a Bill ? I therefore think that this article is an infringement of the inherent rights of Members of Parliament and I do not see any reason for it. If this is passed, it will mean that no member can bring forward any legislation in the form of a Bill for the benefit of his province. If there is a tax in existence which hits his province very hard he cannot get that repealed. He will have to submit it to the President and that means that it will be the pleasure of the Executive to allow him to bring it forward or not. It is a big limitation on the rights of Members of Parliament and it should not be accepted.

Mr. President : Do you wish to speak, Dr. Ambedkar ?

The Honourable Dr. B. R. Ambedkar : I do not think any reply is necessary.

Mr. President : The question is

“That New article 254-A stand part of the Constitution.”

The motion was adopted.

Article 254-A was added to the Constitution.

Article 255

Mr. President : We go to article 255.

(Amendment No. 83 was not moved.)

The Honourable Dr. B. R. Ambedkar : Sir, I beg to move :

“That in article 255, for the words ‘revenues of India, wherever they occur, the words ‘Consolidated Fund of India’ be substituted.

“That in the first proviso to article 255, the words and figures ‘for the time being specified in Part I of the First Schedule’ be omitted.

“That in clause (a) of the second proviso to article 255, for the words ‘three years’ the words ‘two years’ be substituted.

The first two amendments are just formal.....

Mr. Naziruddin Ahmad : On a point of Order No. 86 is entirely new and not related to anything. It is not a formal matter. It is a serious matter.

The Honourable Dr. B. R. Ambedkar : That is what I am trying to explain.

Mr. Naziruddin Ahmad : It is not an amendment to an amendment it is amendment to the Constitution.

The Honourable Dr. B. R. Ambedkar : I move it with the permission of the Chair.

Mr. Naziruddin Ahmad : I wanted Dr. Ambedkar to be forced to take the permission of the Chair to move it.

The Honourable Dr. B. R. Ambedkar : I have taken his permission. President can give his permission before or after moving it.

This matter refers to grants and the provision in the original article itself is that an average of three years should be paid to Assam. It was represented to us that if the average of three years is taken the Assam Government will get very little because in the first year they did not spend anything but if we took the average of two years, they would get more. It is to meet this difficulty that the Drafting Committee has introduced the words two years instead of three years.

(Amendment No. 87 was not moved.)

Syed Muhammad Sa'adulla (Assam: Muslim): Mr. President, Sir, the passing of the previous articles of the Draft Constitution so far as financial provisions are concerned, has passed the death sentence upon all hopes and aspirations of the provinces, not merely of the backward and poor provinces but also of all the richer provinces. I say this after going through the memoranda that were submitted to the Expert Financial Committee presided over by Mr. N. R. Sarkar, the present acting Premier of Bengal. If anybody had cared to go through this volume which was supplied by the Assembly Office, they must have noticed that every one of the provinces, whether their income was three crores or fifty crores, wanted a revision of the divisible pool of Income-tax. They wanted that Corporation Tax should be included in the divisible pool of Income-tax. They recommended that all excise duties on commodities produced in a particular province and all export duties should also be brought on the divisible pool. The "tale of woe"—in the phrase of Dr. Ambedkar—which the representatives from Assam have been placing before the House is nothing new as I will show by giving references from these memoranda that even the richest province in the Dominion of India—I mean Madras—wanted all these things which Assam representatives wanted the Centre to give.

Sir, I am speaking not as a member of the Drafting Committee but as a representative from the very benighted province of Assam. On-behalf of Assam I express our heartfelt gratitude to those honourable Members who spoke on Friday last *viz.*, Pandit Hirday Nath Kunzru, Mr. B. Das, and Professor Saksena who were kind enough to extend their support for Assam's claim for a fairer deal from the Centre. If my honourable Friends will listen to what I have got to say—and whatever I will say I will quote from documents that have been supplied by the Constituent Assembly—I am perfectly sure that they will show us the same sympathy and support. By a happy coincidence, the Constituent Assembly, yesterday supplied each Member with two pamphlets which have been issued by the External Affairs Department giving a detailed description of the Excluded and Partially Excluded areas of Assam and the North-eastern Frontier Tribal and Excluded areas. As the time is so short, I do not think honourable Members had either the time or, shall I say, the inclination to go through these pamphlets. Therefore, I have to give you a word-picture of the conditions of Assam, not merely its topography and geography, but its economic, political and financial conditions.

The topography of Assam, I always describe as that of a poor man's hut. It is just like a ridge on the top with two sloping roofs on either side. From our western boundary, namely the district of Mymensing in Eastern Pakistan runs eastward a range of high hills through Assam right up to a point which is the tri-junction of Tibet, China and Burma. This range of hills has divided

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the province into two valleys which have been described in this pamphlet as the Brahmaputra Valley on the northern side and the Surma Valley on the southern side. Since the partition of the district of Sylhet, portions of which have now gone into Eastern Pakistan, that valley should be called the Barak Valley because the river that bisects this area is called Barak. Now, the division of the valley by the mighty Brahmaputra on the one side and the smaller Barak on the other, has created problems for the province of Assam and has added to her increased expenditure and misery. If we are to have some utility services, say a trunk road on the southern bank of the Brahmaputra, there must necessarily be a trunk road on the northern side for the convenience of the inhabitants on the northern bank. Similarly with the conditions in the other valley. Then again, it will be news to many of you, including my friends the representatives from Assam who stated that after the partition, Assam has got only 50,000 sq. miles in area, but I say that the very first sentence of this pamphlet issued under the aegis of the External Affairs Department runs as follows—"Assam and territories associated with it, have an area of roughly 100,000 sq. miles." When you think of this vast area, with its population of only 73 lakhs, you will know that for every administrative purpose, from a magisterial court down to a police-station, our administration cannot but be very very costly, compared with densely populated provinces. I can place before you one fact, on the authority of the Finance Minister of Assam who while moving his budget estimates in March last before the Assam Assembly had to say that 72 per cent. of our total revenues goes to pay our salary bill. If as much as very nearly three-fourths of the provincial revenue goes towards the payment of Salaries of its public servants, no wonder very little is left for any development or for any social service. No wonder, Sir, that Assam is so backward, in providing all the amenities that go with an efficient and full-fledged autonomous government. Assam now is the poorest province in the Dominion of India, poor not in resources, but poor in numbers, poor in its financial position and poor in the economic condition of her population. But this poverty has been forced upon her by man-made laws and the inequity of Central Governments. During the Minto-Morley Reforms of 1911, the financial conditions of India was that the Central Government functioned as a unitary government and appropriated all the revenues of India. The Provinces got only whatever they required from the Government of India. That was somehow tolerable, although the weak Assam could never impress upon the then Government to give her a little more to increase her social amenities and services. Then in the next period of the Montague-Chelmsford Reforms, the greatest injustice was done to the poor province of Assam. Everyone remembers that in that Reform, the financial arrangement was that certain heads of revenue were allocated to the Provinces and certain others to the Centre; and Lord Meston, by a curious calculation, either through want of proper appreciation of the condition of Assam or through negligence of Assam's representative in placing their case before him, calculated that Assam was not merely solvent but will have such a surplus that it will be able to give the Centre a contribution of fifteen lakhs per year. But all these calculations were found to be entirely wrong divorced from facts. Assam was a deficit province, to the tune of Rs. 25 lakhs every year, and in spite of that, Assam had to pay this Rs. 16 lakhs contribution, increasing her deficit every year, till the year 1927, when through agitation in the Assam Council, this imposition was withdrawn from Assam.

Then I come to the Simon Reforms when Assam prepared and placed her memorandum—I myself drafted it because I was then the France Member of the Government of Assam—before the Commission. We were prepared to prove by irrefutable figures that Assam cannot be put on a footing which will

make her run as a Major Province—not to speak of the question of adding institutions which every self-governing province must have. The Federal Finance Committee that sat along with the Simon Commission, presided over by Lord Eustace Percy, were compelled to admit in their report that Assam must have a subvention of Rs. 65 lakhs to balance her budget. This document was considered during the time of the Joint Parliamentary Committee and the Round Table Conference by another Committee in England, presided over by Lord Peel. Even that Committee had to admit that certain Provinces—and they used the words “notably Assam and Orissa”—cannot function as a major province unless substantial help is given to them for some time. In spite of those recommendations from unimpeachable quarters, by what freaks of accounting I cannot say, Sir Otto Niemeyer came to the conclusion that Assam ought to be quite satisfied to get a subvention of Rs. 30 lakhs. This is the cruellest joke that could be perpetrated upon a poor province like Assam, for you will be surprised to hear that Assam is contributing to the Central coffers to the tune of Rs. 10 crores every year whereas we get the small pittance of Rs. 30 lakhs as annual subvention

I will give the figures just now. If the Members representing Assam had to dilate on a tale of woe it is on account of these man-made laws which have left Assam in the poorest of condition, with the barest of institutions that go for a self government. But Assam is not poor in her natural resources. If Assam was allowed to run her own course she would be in the fore-front of an the Indian provinces. In spite of the poverty of its exchequer Assam stands fourth in the matter of literacy throughout India. That shows that we have been spending, proportionately, a higher percentage on education than the comparatively richer provinces. Similarly we stand third in the matter of road communication. One can motor throughout the year, in spite of very heavy rain-fall, from one corner of Assam to the other. Very few provinces have that.

Shri Brajeshwar Prasad (Bihar: General): Is the system of communications developed in the frontier tracts ?

Syed Muhammad Sa’adulla : Yes, there are, not *pucca* roads, but winter tracks right into the interior in the frontier. I myself have travelled from Sadiya which is our eastern frontier to a distance of twenty-five miles by motor car to a place called Nizamghat which is right into the interior, and on the other side there is a sub-division fifty miles away called Pasighat to which you can motor.

If we could utilise the resources that we have, then we could have brought Assam to the fore-front of India’s provinces. What are the resources ? Take Petroleum and kerosene. Assam is the only province which produces that very valuable commodity in the dominion of India. We get only a paltry sum of Rs. 5 lakhs of royalty of the crores of rupees worth of crude oil that is pumped out the bowels of mother earth, whereas the Central Government by way of excise duty on the manufactured articles is enjoying for the past twenty years or more a sum of very nearly Rs. 2 crores of rupees annually. We tried our level best to get a share of it. But all our petitions, all our threats, went in vain. The Central Government was adamant and we did not get a single pice out of that excise duty, although if I remember aright—I dealt with the subject in 1929 and it is full twenty years ago—there is a Privy Council case from the Dominion of Australia where this very question arose and the Privy Council decided that the proceeds of such excise duty ought to go to the State, and for very good reasons. The more you produce petrol from the crude oil the more you are depleting the natural resources and the natural wealth of the province. This excise duty is in the nature of tax on capital.

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Secondly, this industry has been the target of Communist agitation from a very long time. Some honourable Members may still remember that the Assam Government had to use force in 1938 and firing had to be resorted to at Digboi, the headquarters of the Petrol Industry, when some people were killed. There was such an agitation about that episode that the then government—a Congress government, not my government—had to requisition the services of no less a person than the late Sir Manmathanath Mukerjee, retired Chief Justice of the Bengal High Court to sift the evidence to find out if the firing was justified. Production of petroleum, which is such a dire necessity in these days of civilisation and which brings such a big revenue to the Central coffers, had to be protected at very heavy cost and no wonder as you heard from the Honourable the Premier of Assam on Friday last that they had to double the police force in the province since they came to office in 1946. Where would the Central Government be if the Assam Government did not sacrifice her meagre and exiguous revenues for the protection of that oil-field ? If for nothing else, at least for this reason that we are protecting the source of revenue which is being enjoyed by the Centre, Assam could legitimately claim her share in this excise duty.

Next I come to jute. Sir, through the efforts of the representatives of Bengal in the Joint Parliamentary Committee, the then Government was forced to adopt the principle of giving a part of the export duty on jute to the growing provinces. In that year,—it was first given in 1934,—Assam was supposed to produce 5 per cent. of the total jute grown throughout the world and on that basis she was getting on an average 14 lakhs of rupees per annum. But since the declaration of independence, when the largest jute-growing area of Bengal fell to the lot of East Pakistan, the position of Assam has gone very high as one of the jute-producers of the world. Assam, which had a vast area of waste land was increasing her jute acreage every year. And, if I remember aright, now Assam stands next to Bihar, among the highest jute-growing area of the Dominion of India. This adjustment of percentage has its necessary—repercussion in the amount of the jute export duty that fell to Assam's lot.

We were told by the Prime Minister of Assam on Friday that recently (that is in 1947-48) from the, meagre 14 lakhs, Assam's share had gone up to 40 lakhs. But there is a Bengalee saying that even if the "Data", the donor, wants to give the "bidhata" steps in and stops it. Similarly, at the time when we had a morsel of food close to our mouth, it was snatched away by the present National Government of India. Whereas previously during the British regime the percentage allotted to the provinces stood at 62½ per cent. It has been reduced last year by a stroke of the pen to 20 per cent. by the present Government. Now, it was asserted by the honourable representative from Bengal that jute was one of the commodities that was earning the much-required dollar exchange for India. Now what incentive will there be for the provinces to increase their jute area, or to produce more bales of jute, if they get nothing from this ? Article 254 which we have passed just now is merely a soap. It says that for ten years or even earlier if the Government thinks it wise to abolish jute export duty, these four provinces will get a pittance. I say, Sir, if the provinces had been left alone, they could have very well realised something from jute producers. Assam has been very patriotic in the past and when there was no tea export duty or tea excise duty levied, the Assam Government requested the tea industry to submit to a voluntary taxation and the industry without the least demur voluntarily paid a cess of eight annas per acre of planted area to raise a road fund and that continued from 1927 to 1937.

Now I come to tea. People who have got no idea of the tea industry cannot conceive what great sacrifice Assam has made in the past, which sacrifice is continuing even now. The tea industry in Assam is more than a hundred

years old and in order to attract foreign capital and to clear the wild-animal infested malarious jungles, the then Assam Government had to offer very easy terms of land settlement. The earlier grants were all fee-simple, which meant that they paid no land revenue to the Government of Assam. Next there are 99 years' leases, for which Government levied the ludicrously low land revenue of about $4\frac{1}{2}$ annas per acre, whereas the ordinary cultivator has to pay about Rs. 4 per acre. So, in order to establish the tea industry on a very stable and firm footing in Assam, the Assam Government sacrificed an incalculable amount of money in the shape of land revenue. And now when the Central Government has stepped in and has started levying an excise duty of 3 annas per pound on teas that are sold for internal consumption in India and an export duty of 4 annas per pound on teas that are exported out of India, Assam is denied even an anna of the sum which goes to the Central Government. On an average Assam produces 350 million pounds of tea per annum. Three-fourths of this, under the Indian Tea Control Act, is sold to outside, which brings in a four anna per pound duty to the Central coffers. The rest one-fourth is sold in the internal market and that brings in three annas per pound. Now out of this 350 million pounds, which is very nearly the requirements of Great Britain per annum, about 300 million pounds go from Assam alone. This is earning for the Central Government their much-needed sterling capital. Now on an average each tea garden has a labour force of one thousand to two thousand men. The communist agents are at work to seduce them from their legitimate duties and to force them to go up in revolt. Supposing the Assam Government think that as they are getting nothing they would give up the idea of preventing communists from tampering with the labour forces, where will the tea industry be and where will be the sterling capital of the Central Government? But even then the man-made laws have denied Assam anything out of these tea export and excise duties. Then again the sacrifice which Assam is making for this tea industry can be gauged from this fact alone that the largest amount of revenue that Assam gets is from land revenue; it is very nearly $1\frac{1}{2}$ crores but the share of the tea gardens in this land revenue is only 17 lakhs. If concession rates had not been given in those early years perhaps the tea garden people would have to pay at least 75 lakhs as land revenue. But there is yet another doleful and gruesome aspect about the tea industry. The Central Government has a most unjust, iniquitous and pernicious scheme of allocating the shares of different provinces from the income-tax pool. By what calculation, Sir Otto Niemeyer placed Assam's share of this pool at 2 per cent. only. I fail to gather, while Bengal and Bombay was given 20 per cent. and Madras and U.P. 15 per cent. and so on. Out of roughly one thousand tea estates in Assam as many as 750 have got their managing agencies outside Assam—some 600 of them in Calcutta and 150 in London, as these are all sterling companies, and income-tax on Assam produced tea is paid either in Calcutta or in London. The amount which is paid in Calcutta goes to the credit of Bengal and that is why they are getting 20 per cent. of the total divisible pool. If that point had been given due consideration the division of that Pool should have been on the basis of, first, source of revenue and secondly, necessity of the area which grows that tea. I am again constrained to quote the Bengali proverb of "pouring oil on the oily head" or the Biblical saying, "To him that hath more shall be given." While poor Assam and Orissa have been crying hoarse over getting some substantial help, even when a large percentage in the pool was released after the division of India, Madras which has 50 crores of revenue got 10 per cent. or an increase of 3 per cent. more and Bombay got 22 per cent. but poor Orissa and Assam got an increase of 1 per cent. only. Even when there was a chance justice would not be meted out to these poor provinces. The same trouble is with Bihar. Bihar would have got a much higher percentage than 10 per cent. if the income derived from the Tata Iron Works at Jamshedpur were credited to the province of Bihar. But their headquarters being in Bombay the benefit of the

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huge income-tax that is paid by Tata Iron Works goes to Bombay and not to Bihar.

Sir, I have tried to show from these facts and figures that Assam had and still has a very great claim on a share of the proceeds of the export and excise duties on tea and the export duty on jute as also the excise duty on petrol. And, as I said in the beginning, Assam is not the only province which was claiming this. I find on page 9 of this volume of Memoranda placed before the Expert Financial Committee that Madras recommended that all export and excise duties levied by the Centre should be shared with the provinces, that Bombay wants corporation-tax to be included with income-tax and divided among the provinces. She is not satisfied with 20 per cent. of the divisible pool of income-tax but claims 33 and one-third per cent. Then the U.P.—the largest province in India so far as population is concerned—says :

“That first essential is to enlarge the divisible pool of taxes at the Centre and make available to the provinces at least half of the surcharge on income-tax; corporation-tax and all allied taxes should be included in the divisible pool like half of income-tax. Similarly all excise and export duties levied by the Centre should be included in the pool.”

On page 18 of this Memorandum I find that Bengal made a similar claim. So it will be apparent that it was not merely a poor province like, Assam which was crying hoarse for a share of these excise and export duties but the richer provinces also claimed it.

Now you should consider this problem of Assam from another point of view. Assam, though a part of India, is by force of circumstances practically cut off from the rest of India. Those of us who have to come to this Assembly have to travel through 180 miles of Pakistan territory before we reach the borders of the Indian dominion at a place called Ranaghat. The Central Government is therefore trying to have an approach road and a rail link through Indian territory to Assam by the northern, foothills. I do not know how many crores of rupees will be spent and when it will be ready; but some action was taken by them to connect Assam with the rest of India through a small tract on the northern part of Bengal near Jalpaiguri which is Indian territory. But you will be surprised to know that this rail link takes us not to Bengal or Calcutta first but to Bihar; and if one has to come to Calcutta he will have an extra 200 miles of railway travel. What that will cost in freights and fares I need not say; the House can imagine it. But who will use this railway? I am perfectly sure that no trader or travellers will use it willingly. Then, Assam is now the frontier province. In the last war the vulnerability of India through the East was proved. Through the east, the Japanese were actually on Indian soil when they surrounded the Manipur State in Assam and captured three-fourth of the headquarters of the Naga Hills. The fact that Assam is now a frontier province of the Dominion of India makes Assam a question of all-India concern. For, if Assam is invaded by her neighbours and reinforcements were not promptly rushed there from the rest of India, she will very soon cease to be a part of India. Can you envisage such a contingency with complaisance ?

As I told you, at the time of the Niemeyer Award Assam was an undivided province with no high court of its own. Though it was a major province the people of Assam had to come to the Calcutta High Court which had appellate powers over Assam. Assam had no university and no technical or professional colleges. And yet she was given only, Rs. 30 lakhs under the Award, whereas the Award gave the North-West Frontier Province Rs. 100 lakhs on the ground that it was an undeveloped province. Sind too got a sum of Rs. 110 lakhs under that Award. Though Assam was the most undeveloped of the major provinces

of India with no amenities of civil or civilized administration and though she had practically no social service the Award gave her only a paltry sum of Rs. 30 lakhs.

Sir, I started by saying that the allocation of revenues between the Centre and the provinces has been made on a very unscientific principle. One of the arguments that I want to advance is that in making financial adjustments of this kind you should take into due account not only the needs of the backward units, but also considerations of equity. The consideration that Assam is contributing a very large share of federal revenues should not be given the go-by in the present set-up of things. Then again, due note must be taken of the special position of the frontier regions. This is a question of definite all-India national interest. It is in the interest of the Centre that efficient and good government obtains in Assam.

Assam has, in spite of her poverty, tried her utmost to help herself by such taxation as can be levied. As stated by Sriji Rohini Kumar Chaudhuri, Assam imposed taxes on agricultural income in 1938, tax on betting and amusements and heavier tax on motor vehicles motor spirit and lubricants and levied tax on professions and trades and on the sale of goods. In spite of this she has not been able to get her budget balanced. As stated by our Prime Minister the other day, we are faced with a deficit of a crore of rupees in the current budget. I make bold to say that the one crore deficit is an under-estimate. For, during the general discussion of the budget in the Assam legislature I quoted facts and figures from the Budget estimates and the memorandum to prove that the deficit was in the neighbourhood of 2½ crores. The Finance Minister in his reply to the general discussion of the Budget did not dispute my statement.

Sir, Assam has a revenue of five crores including the thirty lakhs of subvention, the fourteen lakhs from jute duty and the forty lakhs from her share of the income-tax. She is going to have a deficit of two crores, if not two and a half crores. The present administration of Assam, hoping that the Government of India will implement their promises of continuing the grants from the Development Fund for about ten years, started building many necessary institutions such as a High Court, a medical college, a forest school and an agricultural school. Grants from this Development Fund are about to stop and, Assam is in addition faced with the miserable prospect of a deficit of three or four crores in a total income of five crores through the burden of recurring expenses of the new institutions. I request the honourable Members of the Constituent Assembly to lend their whole-hearted support to this request—I would not use the word ‘claim’ of Assam or getting a fairer deal in the new set-up of things.

Shri Brajeshwar Prasad : I would like to know whether the demand is for larger grants for raising the level of the tribal people or whether it is for improving the amenities of the people of Assam and for having technical or vocational schools.

Syed Muhammad Sa’adulla: I am glad that my friend interrupted me. I had lost the trend of my argument I intended to advance about the tribal areas. The interpretation he wants to put on article 255 is wrong. It starts thus : “Such sums as Parliament may by law provide shall be charged on the revenues of India in each year as grants-in-aid of the revenues of such States as Parliament may determine to be in need of assistance, and different sums may be fixed for different States”. The words are “for providing grants-in-aid to the States.”

I have given a general picture of the topography and geography and the financial conditions of Assam. I think nowhere in India have we got the same different categories of political institutions or political areas inside the same

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province, as in Assam. First, we have got the administered area or rather what we call the "included" area, *i.e.* that area which comes within the jurisdiction of the Legislative Assembly of the Province. Then we have got another area called the "partially excluded" area, three hill districts which have been given the right to send representatives to the local legislature, but the ordinary legislation of that legislature will not apply to them, unless the Governor assents to that. Then comes the third category, the "totally excluded" area. These excluded areas have no right of representation in the local legislature; yet the province of Assam has to bear the burden of these areas, whereas there is practically no income from them. Take for example the Naga Hills, an area of four thousand square miles, whose population in the administered area is about two lakhs and about one and a half lakhs in the non-administered area. From this area we have got about two lakhs of revenue because there is a British firm operating a coal mine in that area. This represents the entire income from the royalty of the coal mines. These hill people do not pay any land revenue. They say, "This land is ours". Not even their Chief has got any right to tax them. If you want to impose any land revenue, they will rise in revolt. Although the income from the area is only two lakhs, it costs the provincial exchequer about thirteen lakhs for administering the Naga Hills.

Shri Brajeshwar Prasad : How much?

Syed Muhammad Sa'adulla: About thirteen lakhs.

Shri Brajeshwar Prasad : What about their forest wealth?

Syed Muhammad Sa'adulla: There are hardly any communications there.

Shri Brajeshwar Prasad: Potato is also grown in that area.

Syed Muhammad Sa'adulla: No potato in that area but in Khasi Hills. That shows the amount of money we have to spend on these excluded areas. Then the last category of areas in Assam formerly used to be called "Frontier tracts" but now called the "North-eastern frontier agency areas". These areas are being administered by the Governor as an agent of the Governor-General of India. Only recently they have undertaken to bear the entire costs.....

Shri M. Ananthasayanam Ayyangar (Madras: General): May I know if the honourable Member is supporting or opposing the amendment. We are unable to follow his arguments from here.

Syed Muhammad Sa'adulla : I have got to place all these facts before the House. Our income is only five crores of rupees whereas our area is one hundred thousand square miles. With this income we are unable to have good administration in this frontier Province on account of the conditions that I have given.

Shri M. Ananthasayanam Ayyangar : What are his concrete suggestions?

Syed Muhammad Sa'adulla : The position I have already explained. Therefore we cannot but come to the inevitable conclusion that the Centre must come to our aid by way of grants-in-aid and this section 255 speaks of such an aid. But even the little ray of hope that I had, in cursorily reading this article, has been shattered by the fact that the whole thing has been left to the Parliament to decide. Now we have heard twice on the floor of this House from the Chairman of the Drafting Committee that if we leave the question or the percentage of the jute export duty to be given to the provinces, to the Parliament, there will be such a wrangling among the different provinces that

it is better, to leave it to the President. Unfortunately the amendment which was sent in by my Friend, the Rev. Nichols Roy from Assam only this morning has not been allowed by the President, because it came too late. Now, friends like Mr. Ananthasayanam Ayyangar say “help yourselves before you come , to the Centre with the begging bowl.” I have already shown that the Assamese people have already taxed themselves to the farthest extent possible, but even then that does not convey the real situation in the province. I have already stated that the total population of the province at present is 73 lakhs, out of which ten lakhs are labour population on the tea estates, people who have got no vested interest or any land in the province. They do not contribute a copper to the provincial exchequer, except for the fact that they go to the country liquor shops now and then, but these people are in the habit of brewing their own rice beer at home. Then till recently, we had two districts which were permanently settled zamindari areas. Only in the last session of the local Legislative Assembly, we passed an Act abolishing zamindari in Assam, but for my purpose it will be sufficient to say that these two districts contain a population of fifteen lakhs. These people do not contribute directly to the provincial exchequer. Therefore all the taxation that we impose falls upon five or six districts of the province and the total population of these six districts is less than fifty lakhs, a heavy burden on them indeed.

Sir, it has been stated that there will be a Financial Commission which will go into all these matters and we should not be despondent or pessimistic of not getting a just decision from that authority. But our previous experience makes me very doubtful whether the special position of Assam will be understood or appreciated by any such body unless some one connected or intimately acquainted with the conditions of Assam is in that Committee or Commission. I will give one little examples Two years ago in order to balance the Central Budget some bright officer of the Finance Department of the Central Government thought of taxing betel-nut and the decision was uniform throughout India; and without knowing the conditions poor Assam was taxed to the tune of 5 lakhs of rupees. Whereas throughout India dry betel-nut or “supari” is eaten and sold in the market, in Assam only, the supari is eaten in its cutcha form. It is sold in its shell, the thick covering outside and within the kernel inside is juicy and heavy. The tax levied was by the seer and while the dry supari per seer contained up to 115 to 120 nuts, the kutchcha Assam supari called “tambul” weighed 20 to the seer. The result was that the poor Assam cultivators who grow for their home consumption, a few trees of betel nut had to pay this tax at a rate which is three times, if not four times higher than the rest of India. Such will be the fate, of Assam again unless some one acquainted with Assam conditions or fully appreciating the position of Assam be included in the Financial Commission.

Shri Brajeshwar Prasad : You have not said how much grant you want. What are your substantial proposals ?

Syed Muhammad Sa’adulla : In fact even the Drafting Committee cannot give you the percentage. All I can say is that I have placed the facts before you for your very sympathetic and just consideration and reasonable recommendation to the Central Government.

Mr. President : I just came to know from the speech of Mr. Sa’adulla that Mr. Nichols Roy had given notice of an amendment. It was received just when we were starting the proceedings and therefore it could not be copied and circulated. If Mr. Nichols Roy wants to move his amendment, I would give him permission at this stage to move it.

The Honourable Rev. J. J. M. Nichols Roy: Mr. President, Sir, as I studied the different articles regarding the financial provisions I felt that it is very important that I should move this amendment to article 255 :

That with reference to amendment No. 2917 of the List of Amendments, in article 255, after the Words "Parliament may by law provide", the words "or until Parliament thus provides, as may be prescribed by the President" be inserted; and the following explanation be added at the end :—

"Explanation.—The word "prescribed" has the same meaning as in article 251 (4) (b)."

The article as amended by me will read thus:—

"Such sums, as Parliament may by law provide or until Parliament thus provides, as may be prescribed by the President, shall be charged on the revenues of India in each year as grants-in-aid of the revenues of such States as Parliament may determine to be in need of assistance, and different sums may be fixed for different States."

The reasons for moving this amendment are very clear. According to this article 255 all the distributions to the provinces as grants-in-aid will have to pass through Parliament and Dr. Ambedkar himself has stated in this House that when such sums are placed before Parliament, it will take a long time and cause wrangling among Provinces for each Province will try to pull the strings as hard as possible to get as much share as possible for itself. I am sure it will take some time before the small provinces will be rendered immediate help, that is necessary to be rendered; and the provinces of Assam, Bihar and Orissa, I should say, require immediate help, and it will be impossible for the President or the Government of India to render such help now unless the power is given to the President to do this. Therefore, I have introduced the following words : "or, until Parliament thus provides, as may be prescribed by the President". The President, therefore shall have power by order to prescribe certain sums to be given to the provinces that are in need and also act on the recommendation of the Financial Commission. I think, Sir, this amendment is very necessary. I felt that this should be considered by the House and I think that unless it is left to the President, provinces like Assam will be in a great turmoil, a financial crisis will surely come about and we cannot go on in this way. It is sure, if there is turmoil in the Province of Assam, that the whole of India will be involved and that has been stressed by my honourable friend Syed Muhammad Sa'adulla and also by my honourable Friend Mr. Rohini Kumar Chaudhuri and by the Premier of Assam on Friday last and has been pressed by each and every speaker from Assam. It is very necessary that financial help should be immediately rendered to the Province of Assam and that cannot be done under Article 255 as it stands today. Therefore, the power must be given to the President to render immediate help to those provinces that are in need. This amendment is very very necessary and I do not see how this House can pass the article 255 as it is now without considering this proposition. I hope, Sir, that this House will not commit suicide by allowing Assam to be in a turmoil and thus the whole of India will be involved and I hope this matter will be borne in mind when considering the amendment, which I have moved today.

Mr. President : The House will now stand adjourned till 9 A.M. tomorrow.

The Assembly then adjourned till Nine of the Clock on Tuesday, the 9th August, 1949.
