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(Official Report)

Volume I

FIRST SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1927



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LEGISLATIVE ASSEMBLY.

Thursday, 1st September, 1927.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

APPOINTMENT OF OFFICERS OF THE WATCH AND WARD DEPARTMENT OF RAILWAYS ACQUAINTED WITH THE VERNACULARS.

731. ***Kumar Ganganand Sinha** : Have Government considered the desirability or otherwise of appointing such suitable officers in the Watch and Ward Department of the railway system situated in a province as are acquainted with the vernaculars of the province ? If so, with what results ? If not, why ?

Mr. A. A. L. Parsons : Of the officers available those are selected who are considered most suitable on all grounds including linguistic attainments, though this is not one of the most important qualifications ; I must also point out to the Honourable Member that the two railways—the East Indian and Great Indian Peninsula Railways on which most of these offices serve run through several provinces with different vernaculars.

NAMES OF OFFICERS APPOINTED IN THE WATCH AND WARD DEPARTMENT OF RAILWAYS.

732. ***Kumar Ganganand Sinha** : Will the Government be pleased to state the names of the various officers in the Watch and Ward Department in the superior posts and the provinces from which they have been deputed and the railways on which they serve at present ?

Mr. A. A. L. Parsons : I am sending the Honourable Member a statement giving the information required.

INSTITUTION OF A WATCH AND WARD DEPARTMENT ON THE MADRAS AND SOUTHERN MAHRATTA AND SOUTH INDIAN RAILWAYS, THE BENGAL AND NORTH WESTERN RAILWAY AND THE ASSAM BENGAL RAILWAY.

733. ***Kumar Ganganand Sinha** : Do Government propose recommending the organisation of a Watch and Ward Department on the Madras and Southern Mahratta and the South Indian Railways, the Bengal and North Western Railway and the Assam Bengal Railway and any other railway that has not got it yet ?

Mr. A. A. L. Parsons : All the four Railways mentioned have a Watch and Ward organisation under the Traffic Department. Compensation claims on these Railways are comparatively small and it is not necessary to organise the Watch and Ward Department as a separate unit.

DISTRICT MEDICAL OFFICERS ON THE DIFFERENT RAILWAYS.

734. ***Kumar Ganganand Sinha** : (a) How many District Medical Officers are there on the different Railways ?

(b) How many of them are Indians ? How many vacancies have occurred since the adoption of Lee Report and how many Indians have been appointed accordingly ?

Mr. A. A. L. Parsons : The information asked for in (a) and the first part of (b) can be obtained from the Railway Board's Classified list a copy of which is in the Library.

As regards the latter portion of (b) there have been 6 vacancies on State-managed Railways, 5 of which have been filled by Indians.

STOPPAGE OF THE RECRUITMENT OF EUROPEAN MEDICAL OFFICERS ON RAILWAYS.

735. ***Kumar Ganganand Sinha** : Have Government made any representation, recommendation, or suggestion or the like to the Railway Board and Company-managed Railways to stop recruitment of European medical officers till the proper percentage of Indian officers has been reached ? If not, why ?

Mr. A. A. L. Parsons : The reply to the first part of the question is in the negative. I would point out to the Honourable Member that the Lee Commission's recommendation was that recruitment in India should be advanced as soon as practicable up to 75 per cent. of the total vacancies in the Railway Departments as a whole, and not in any particular branch.

BENEFIT TO INDIA BY THE ADVERTISING CAMPAIGN AND OTHER ACTIVITIES OF THE EMPIRE MARKETING BOARD.

736. ***Mr. K. C. Neogy** : Will Government be pleased to state whether, and in what respects, India benefits by the advertisement campaign and other activities of the Empire Marketing Board ?

The Honourable Sir George Rainy : The function of the Empire Marketing Board is to advise His Majesty's Government on the expenditure of the annual grant of one million pounds which is made by Parliament, in order to encourage the consumption in the United Kingdom of Empire food products in preference to imports from foreign countries. The object of the grant is to give some reciprocal benefit to other parts of the Empire in return for the tariff preference which they give to British goods. India gives no such preference and strictly speaking, therefore, should have no claim to the benefit of the grant. Nevertheless she is not excluded. It is understood, for instance, that Indian rice, tea, tobacco and condiments are now being largely advertised in the United Kingdom under the direction of the Board, on which the High Commissioner for India is represented.

In addition to advertising, the activities of the Board and of the Imperial Economic Committee, by which it is guided, are directed towards the investigation of better methods of marketing and technical research for the improvement of Empire agricultural products. Subjects of recent enquiries in which India is particularly interested, include the

food value of ground-nuts and other oilseeds, and the improvement of the quality of Indian tobacco which, with the assistance of the preferential tariff granted by His Majesty's Government to all Empire tobacco, is now being increasingly imported into the United Kingdom.

THE PROPOSED INDIA HOUSE, LONDON.

737. ***Mr. K. C. Neogy** : With reference to the construction of India House, London, will Government be pleased to state whether its architecture is to be of the Indian style, and how far the Indian School of Art will be utilised for purposes of its decoration ?

The Honourable Sir George Rainy : The London County Council requires that the exterior should be in harmony with the neighbouring buildings, and apart from small decorative features it will not be possible to make it representative of any Indian style. The Architect however, is endeavouring to give the interior a marked Indian character. It is also proposed to decorate the main hall with frescoes painted by Indian artists and, if funds permit, the dome also and the ceilings of the important rooms. Indian timber will be used, as far as possible, for panelling, flooring and furniture. Indian marble will also be used, and will be worked in India before shipment to England. During the past few months the High Commissioner and the Architect have been assisted by an Advisory Committee of Members of the Indian Legislature in England, and I understand that this Committee has examined and approved all the plans and has given much valuable advice.

Sir Hari Singh Gour : May I beg to inquire, Sir, what is the name of the architect who is going to design this building ?

The Honourable Sir George Rainy : Sir Herbert Baker.

Sir Hari Singh Gour : The same gentleman who designed the Secretariat and the Assembly Building ?

The Honourable Sir George Rainy : Yes.

Mr. M. S. Aney : May I ask, Sir, if the Advisory Committee that has been appointed is going to meet in London or in India ?

The Honourable Sir George Rainy : The Advisory Committee was formed in London from amongst those members of the Indian Legislature who happened to be in London last summer.

Sir Hari Singh Gour : May I beg to inquire if there is any reason for appointing the person who designed the Assembly building and the Secretariat to design this building on behalf of the Government of India in London ? Does Sir Herbert possess any special qualifications for designing. Have we not had enough experience of him in Delhi ?

The Honourable Sir George Rainy : I think, Sir Herbert Baker's qualifications are obvious.

Sir Hari Singh Gour : They are too obvious.

Mr. M. S. Aney : Are the Indian members of the Committee who happen to be in India at present going to be taken to London to attend the meetings of the Advisory Committee when they are required, on payment of travelling allowances ?

The Honourable Sir George Rainy : I think, Mr. President, that at the early stages when important decisions had to be taken which would determine all that was to be done in future, the existence of an Advisory Committee was most desirable. Obviously, in the nature of the case, a permanent Advisory Committee representative of Indian opinion could hardly be established in London. I have no doubt, however, that the High Commissioner will, as occasion offers, avail himself of opportunities of consulting Members of the Indian Legislature who may happen to be in London on any important matters that may have to be decided.

Sir Hari Singh Gour : Sir, would the Honourable Member consider whether it would not be very advisable to get a copy of the plans and to show them to the Members of this House here in India ?

The Honourable Sir George Rainy : There might be difficulty about holding everything up until plans could be approved out here. That would involve considerable waste of time, and delay in these cases always means more expenditure. But I understand, Sir—I have not yet myself seen the detailed plans—I understand they are likely to be sent out soon, and whether they could be put in the Library for the scrutiny of Members of the Legislature would, I think, depend upon whether the Legislature was sitting at the time. It might not be possible to hold the thing up to give them an opportunity of seeing them.

Sir Hari Singh Gour : But assuming that the plans are received and that there is no immediate hurry about them, would the Honourable Member consider the advisability of placing them in the Library with a view to enable Members of this House to see them ?

The Honourable Sir George Rainy : I could not give any pledge on that point, Mr. President, because, as I have pointed out, delay in these cases means additional expenditure.

Mr. M. B. Jayakar : Is there any particular reason why Sir Herbert Baker should have a monopoly of the architectural designs of the Government of India ?

The Honourable Sir George Rainy : I am not aware that Sir Herbert Baker has the monopoly. I have heard of Sir Edwin Lutyens in connection with New Delhi.

Mr. B. Das : May I inquire whether the High Commissioner and the Government of India consulted Mr. Havell and Mr. Percy Brown who are great authorities on Indian art and whether these two gentlemen are members of the Advisory Committee to the Architect in London ?

The Honourable Sir George Rainy : I have no information on that point.

Mr. B. Das : Will the Honourable Member kindly convey this suggestion of the House to the High Commissioner and the Architect ?

The Honourable Sir George Rainy : I am afraid I could not accept an individual opinion, expressed by one Honourable Member, as necessarily the opinion of the House.

Sir Hari Singh Gour : May I beg to inquire what is the remuneration settled and paid or payable to Sir Herbert Baker ?

The Honourable Sir George Rainy : The remuneration, I understand, is more or less regulated by the scale of fees prescribed by the Royal Institute of British Architects.

Sir Hari Singh Gour : May I beg to inquire what it will amount to ?

The Honourable Sir George Rainy : I am afraid the Honourable Member must give notice of that question.

Mr. M. B. Jayakar : Will it run into five figures or six figures ?

The Honourable Sir George Rainy : I do not think it would amount to five figures.

Mr. Gaya Prasad Singh : May I ask, Sir, if it is not possible for a better architect to be employed for the construction of the India House considering that it is going to cost India a huge sum of money ?

The Honourable Sir George Rainy : I am unable to agree to the assumption on which the Honourable Member's questions appear to be based.

Pandit Hirday Nath Kunzru : Why is it, Sir, that it has not been found possible to construct the building in any Indian style ?

The Honourable Sir George Rainy : I think I gave the explanation in answer to the original question. As regards the exterior, we are necessarily bound by the opinion of the London County Council as to the harmony of the building with the other buildings in the vicinity. There would also be a further difficulty I think, in constructing in London any building of a marked Indian character which was also intended for practical use, because, deeply verandahed buildings are apt to be very dark, and the one thing you must have in London, especially with buildings with a northern exterior, is as much light as you can possibly get. That would be one of the practical difficulties.

Sir Hari Singh Gour : May I beg to inquire if the Honourable Member will consider the advisability of associating Indian architects even as subordinates in the construction of this building in London ?

The Honourable Sir George Rainy : At the stage to which the scheme has reached I do not think that is a practical suggestion.

Lala Lajpat Rai : Are there not competent Indians in England who can be associated ?

The Honourable Sir George Rainy : I am afraid I have no information on that subject. I should have notice of that question.

Sir Hari Singh Gour : What stage has the scheme reached ? I understood the Honourable Member to say a minute ago that he had not even seen a copy of the plan.

The Honourable Sir George Rainy : The stage has been reached, to use Indian terminology, when administrative approval has been given and the vote for the first year's expenditure was passed by the Assembly after the scheme had been approved by the Standing Finance Committee. We are now at the stage of the preparation of detailed plans and estimates.

Sir Hari Singh Gour : Who has given administrative sanction to this scheme ?

The Honourable Sir George Rainy : The High Commissioner, Sir, is the administrative officer responsible for the scheme.

Sir Hari Singh Gour : Is he in communication with the Government of India, and have the Government of India any voice in determining the scheme and giving administrative sanction to it ?

The Honourable Sir George Rainy : I have already pointed out that administrative sanction has already been given.

Sir Hari Singh Gour : By whom, Sir ?

The Honourable Sir George Rainy : By the Government of India who are responsible for the scheme.

Sir Hari Singh Gour : Was the administrative sanction given by the High Commissioner without the previous sanction of the Government of India ?

The Honourable Sir George Rainy : No, Sir. I have already told the Honourable Member it was given by the Government of India after the Standing Finance Committee had approved and the Assembly had voted the money.

Sir Hari Singh Gour : Am I to presume that the Government of India sanctioned the scheme without even looking at the plans ?

The Honourable Sir George Rainy : No, Sir. They looked at the plans which were prepared for the purpose of administrative approval. They could not look at the detailed plans which were not then in existence.

Mr. Gaya Prasad Singh : Were the plans submitted to the Standing Finance Committee for approval ?

The Honourable Sir George Rainy : I think, such plans as we had showing the general arrangement of the building and the various plans. . . .

Mr. Gaya Prasad Singh : Are you quite sure ?

The Honourable Sir George Rainy : I do not think they were put before the Standing Finance Committee, and I myself brought that case before that Committee. I am speaking from recollection.

Mr. Gaya Prasad Singh : I am also speaking from recollection as a member of the Standing Finance Committee.

The Honourable Sir George Rainy : I think arrangements were made to let members see them.

Sir Hari Singh Gour : What reason has the Honourable Member for saying that it is now too late to associate Indians in the construction of this building ?

The Honourable Sir George Rainy : I gave that as my impression. I am quite willing to consider the matter if the Honourable Member will write to me on the subject. All I was anxious to do was not to give a false impression to the House that I was clear that the thing could be done. I am not sure it could be done, but I am quite willing to consider it.

SELECTION OF CANDIDATES FOR PERMANENT COMMISSIONS IN THE INDIAN MEDICAL SERVICE.

738. ***Mr. Gaya Prasad Singh :** (a) Was a selection test held in Simla recently of the candidates for permanent commissions in the

Indian Medical Service, and about 60 candidates were required to be present at their own cost from all parts of India for oral examination ?

(b) Is it a fact that all those candidates who possessed Indian medical qualifications were declared unfit for permanent commissions, while those who possessed some kind of English medical degree were selected *en bloc* ?

(c) Is it a fact that out of those who possess Indian medical qualifications, but who have been rejected, there are at least three who are already holding temporary commissions in the Indian Medical Service ? If so, what will become of them ?

(d) Was the Selection Board given any sort of directions by the Secretary of State for India, or the Government, to follow certain lines of procedure in the selection of candidates ; and will the Government be pleased to lay a copy of the directions on the table ? Or were the members of the Selection Board left to their unfettered discretion in the selection of candidates ?

(e) Will Government kindly state how many candidates possessing Indian medical qualifications have been selected, and how many refused ? If none have been selected, why were those candidates invited to appear from all over the country ?

(f) Will Government kindly give the total cost of holding this meeting of the Selection Board, and the names of the members ?

Mr. G. M. Young : (a) Yes. The papers of 54 candidates were considered. Forty of these candidates appeared in person before the Board. The remaining 14 were either out of India or could not come to Simla for some other reason, but their papers were duly considered by the Board. Of the 40 who came to Simla, 21 already held temporary commissions in the Indian Medical Service, and 3 were military assistant surgeons, and they travelled under the rules governing their services. 16 candidates had to travel at their own expense.

(b) No, Sir, of the 34 candidates who were not recommended by the Board, 25 possessed professional qualifications obtained in the United Kingdom.

(c) 15 out of the 34 rejected candidates are still holding temporary commissions in the Indian Medical Service. Of these 6 possess only medical qualifications obtained in India. These officers will continue to be employed on the terms they have already accepted.

(d) No instructions have been drawn up either by the Secretary of State or by the Government of India for the guidance of the Selection Board in India. The Board is expected to select those applicants whom it considers the best qualified in every respect for permanent commissions.

(e) No applicant was selected who possessed only Indian medical qualifications, but of the 20 whose names are being recommended to the Secretary of State for permanent commissions, 12 possess Indian medical qualifications in addition to professional qualifications obtained elsewhere. Six applicants with Indian qualifications only were asked to attend because of their records and the good reports they had received whilst holding temporary commissions in the Indian Medical Service. These officers received the usual travelling allowances. In addition, two candidates who

possessed Indian qualifications only, and were not holding temporary commissions, were invited to appear because their academic record was good and it was considered that they should be given a chance of competing at a personal interview with the others whose applications were under consideration.

(f) The total cost is estimated at Rs. 11,000. The members of the Board were :

President.

The Honourable Major-General Hooton, Officiating Director General,
Indian Medical Service.

Members.

Colonel W. R. Blackwell, Deputy Director of Medical Services in
India,

Colonel C. R. Bakhle, Inspector General of Civil Hospitals, Punjab.

Colonel Bhola Nauth, I.M.S., (retired).

Mr. Gaya Prasad Singh : May I ask, Sir, how many candidates possessing only English qualifications, were selected? I do not know whether the Honourable Member has given that information in his reply.

Mr. G. M. Young : It is not in my answer. I must ask for notice.

Lieutenant-Colonel H. A. J. Gidney : Will the Honourable Member kindly inform me whether it is a fact or not that it is the studied policy of Government, as represented by the Selection Committee, that no one with an Indian qualification will be permanently admitted into the Indian Medical Service?

Mr. G. M. Young : I am not aware, Sir, of any studied policy of the Government of India which is carried out by the Selection Board as its representative.

Lieutenant-Colonel H. A. J. Gidney : Arising out of that answer, will the Honourable Member kindly inform me, whether any candidate with an Indian qualification only has been admitted into the Indian Medical Service by the Selection Board?

Mr. G. M. Young : I have already stated that no applicant was selected who possessed only Indian medical qualifications.

Mr. Gaya Prasad Singh : Why was he not selected?

Mr. K. C. Neogy : May I know whether the applications of all the temporary officers were submitted to the Selection Board, or only a few selected men were called up to interview the Board, and whether there had been any preliminary weeding out in the office of the Director-General of the Indian Medical Service?

Mr. G. M. Young : I must ask for notice of that question. All I know is that the papers of 54 candidates were considered by the Selection Board. Whether there have been others I do not know.

Mr. K. C. Neogy : Was any consideration given for active war service of those men who did not possess European qualifications?

Mr. G. M. Young : The Selection Board, so far as I am aware, selected the best candidates. They gave no special consideration to any one except the consideration of merit.

Mr. K. C. Neogy : Is it not a fact that out of the temporary officers who have been turned out after several years of service there are about half a dozen men who held the position of officer commanding and were in charge of station hospitals ?

Mr. G. M. Young : I must ask for notice of that question. That does not arise, in my opinion, out of the present answer. We are at present dealing with those who were selected for permanent commissions, or rather whose names have been recommended to the Secretary of State for permanent commissions. The Honourable Member is asking about the temporary officers whose commissions have been terminated. I made a statement about them the other day.

Mr. Gaya Prasad Singh : It arises out of question (c).

Mr. President : Order, order. The Honourable Member has asked for notice of that question.

Mr. B. Das : Is it a fact that there was a special order from the Secretary of State that no candidates with Indian qualifications should be selected for the I. M. S. ?

Mr. G. M. Young : No.

AGGREGATE TONNAGE OF COAL CONSUMED BY THE MAJOR INDIAN RAILWAYS.

739. ***Mr. Amar Nath Dutt :** Will the Government be pleased to state what is the aggregate tonnage of coal consumed by the major Indian Railways, for the purposes indicated below the figures for each railway being shown separately :

- (a) running of mails and fast expresses ;
- (b) running of passenger trains ;
- (c) running of goods trains ;
- (d) shunting ?

Mr. A. A. L. Parsons : I have sent a statement to the Honourable Member giving such information as is available.

COAL SUITABLE FOR USE ON THE MAJOR INDIAN RAILWAYS.

740. ***Mr. Amar Nath Dutt :** Will the Government be pleased to lay on the table a statement showing the coals, described with reference to the collieries in which they are mined, which meet the requirements of each of the major Indian Railways under each of the following heads :

- (a) running of mails and fast expresses ;
- (b) running of ordinary passenger trains ;
- (c) running of goods trains ; and
- (d) shunting ?

Mr. A. A. L. Parsons : The Honourable Member is referred to the reply given on the 29th instant to Mr. Neogy's unstarred question No. 54.

USE OF COAL RAISED IN THE COLLIERY OF ONE STATE RAILWAY BY OTHER RAILWAYS.

741. ***Mr. Amar Nath Dutt** : (a) Is it a fact that the coal raised in the colliery of one State Railway is used for another ? If so, will the Government furnish full particulars of all such recent instances in point ? Will the Government be pleased to state how the quota of each railway is determined when a colliery is jointly owned by two or three railway owners ?

(b) Is it a fact that the coal raised in collieries owned by State Railways are used on the Company-managed Railways ? If so, will the Government furnish full particulars of such instances in point occurring within the last two years ?

Mr. A. A. L. Parsons : The Honourable Member is referred to the reply given to Mr. Neogy's unstarred question No. 55 on 29th August 1927.

CONSTRUCTION BY THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY OF SPECIAL ENGINES TO SUIT THE CONSUMPTION OF SECOND CLASS COAL.

742. ***Mr. Amar Nath Dutt** : Is it a fact that the Bombay, Baroda and Central India Railway constructed some special engines three or four years back to suit the consumption of second class coal thereon ? If so, will the Government please state wherein exactly lies the speciality of such locomotives ?

Mr. A. A. L. Parsons : The Honourable Member is referred to the reply given on 29th August 1927 to Mr. Neogy's unstarred question No. 56.

ELECTRIFICATION OF RAILWAYS.

743. ***Mr. Amar Nath Dutt** : Have the Government now under contemplation any scheme of electrification of any section of any Indian Railway ? If so, will the Government be pleased to state the full particulars of such scheme ?

Mr. A. A. L. Parsons : The Honourable Member is referred to the reply given to Mr. N. C. Kelkar's question No. 614.

AMOUNT OF CAPITAL OUTLAY MADE BY THE PROPOSED RAILWAY COLLIERY IN THE TALCHUR FIELD AND IN RELIGARI-DARI.

744. ***Mr. Amar Nath Dutt** : Will the Government be pleased to say what is the amount of capital outlay so far made by the proposed railway colliery in the Talchur field and in Religari-dari ?

Mr. A. A. L. Parsons : The information is being collected and will be furnished to the Honourable Member when ready.

AVERAGE PRICE PER TON OF COAL PURCHASED FOR THE RAILWAYS FOR EACH YEAR FROM 1906-07 TO 1926-27.

745. ***Mr. Amar Nath Dutt** : Will the Government be pleased to state what average price per ton was paid for coal purchased for the Railways, the figure being worked out for each year from 1906-07 to 1926-27 ?

Mr. A. A. L. Parsons : The Honourable Member is referred to the reply given on 29th August 1927 to Mr. Neogy's unstarred question No. 58.

ADMISSION OF NON-RAILWAY PATIENTS INTO THE BURLINGTON HOSPITAL AT ASANSOL.

746. ***Mr. Amar Nath Dutt :** (a) Out of what revenues is the Burlington Hospital at Asansol maintained ?

(b) Is the Hospital maintained for the use of railway servants only or are private (non-railway) patients of the District Medical Officer entitled to be treated and nursed in the Hospital ?

(c) If the latter be the case under what terms and conditions are such private patients admitted for nursing and treatment and to whom are the fees for such (i) nursing and (ii) treatment payable ?

Mr. A. A. L. Parsons : Government are making enquiries and will communicate with the Honourable Member in due course.

THE DISTRICT MEDICAL OFFICER, ASANSOL.

747. ***Mr. Amar Nath Dutt :** (a) Is the District Medical Officer, Asansol, a whole time servant of the Railway Administration ? If so, is he permitted to accept contract practice with the various coal companies situated in the district ; if so under whose authority ?

(b) Are all railway medical officers liable to be transferred like all other Government officers in the East Indian Railway ? If not why ?

Mr. A. A. L. Parsons : Government are making enquiries and will communicate with the Honourable Member in due course.

†748*—753*.

CONSTITUTION OF THE DIFFERENT COMMITTEES OF THE COUNCIL OF THE SECRETARY OF STATE FOR INDIA.

754. ***Mr. K. C. Neogy :** (a) Have Government any information as to the constitution of the different Committees of the Council of the Secretary of State for India ?

(b) Is it a fact that the Military Committee, the Political Committee and the Services Committee do not include any Indian member ?

The Honourable Mr. J. Crerar : As the Honourable Member is doubtless aware, section 10 of the Government of India Act gives discretion to the Secretary of State as regards the constitution of Committees of Council. The Government of India have no information as to the constitution of these Committees.

ALLOCATION OF NON-JUDICIAL STAMP DUTIES AS A CENTRAL SOURCE OF REVENUE.

755. ***Mr. K. C. Neogy :** (a) With reference to the proposed allocation of non-judicial stamp duties as a Central source of revenue, what progress has been made in the consideration of the matter ?

† Not put, as the Honourable Member, Sardar Gulab Singh, has not yet taken the oath of office.

(b) In what manner is it proposed to compensate the Provincial Governments for loss of revenue involved in the said proposal ?

(c) What has been the annual revenue of each province from this source since 1921 ?

AMENDMENT OF DEVOLUTION RULE 15.

756. *Mr. K. C. Neogy : (a) Have Government any definite proposal under consideration for amending Devolution Rule 15, or for taking any other action with a view to removing the grievance of Bengal and Bombay about its defective working ?

(b) If so, is it intended to give effect to such proposal in the next year's Budget ?

The Honourable Sir Basil Blackett : I shall answer questions Nos. 755 and 756 together.

(a) and (b) The question is still under the consideration of the Government of India.

(c) The Honourable Member is referred to Account No. 20 of the Finance and Revenue Accounts for the years 1921-1926, copies of which are in the Library.

FINANCIAL DIFFICULTIES OF THE GOVERNMENT OF BENGAL.

757. *Mr. K. C. Neogy : (a) Have Government received any representation from the Government of Bengal, since 1926, regarding the financial difficulties of that Presidency, and asking for relief ?

(b) If so, will Government be pleased to lay a copy thereof on the table ?

The Honourable Sir Basil Blackett : (a) No formal or official representation has been received.

(b) Does not arise.

EVIDENCE OF COLONEL MALCOLM, CHAIRMAN OF THE LONDON JUTE ASSOCIATION, BEFORE THE ROYAL COMMISSION ON AGRICULTURE REGARDING THE DETERIORATION OF JUTE.

758 *Mr. K. C. Neogy : (a) Has the attention of Government been drawn to the summary of the evidence of Colonel Malcolm, Chairman of the London Jute Association, before the Royal Commission on Agriculture, as reported in Reuter's cable dated London, June 23, last ? Have Government received any amplified report of the evidence since ?

(b) Has the attention of Government been drawn particularly to Colonel Malcolm's complaint that the quality of jute had deteriorated and that Government had stepped in too late ?

(c) Will Government be pleased to explain the statement made by Colonel Malcolm in this connexion that the " London merchants had to go to the Government of India with £15,000 to carry out experiments, yet last year Government took out from jute £2,000,000 " ?

Mr. A. E. Dalal : (a) Government have seen the summary in question, but have not yet received a full report of the evidence.

(b) Yes. That the quality of jute in Bengal has deteriorated is open to doubt.

(c) Government understand that the first part of the statement refers to £15,000 given by the London Jute Association and the Indian Jute Mills Association to the Bengal Government for expenditure on the improvement of jute, and that the latter part of the statement refers to the export duty on jute.

SELECTION OF CANDIDATES FOR COMMISSIONS IN THE INDIAN MEDICAL SERVICE.

759. ***Dr. B. S. Moonje :** 1. Will the Government be pleased to state :

(a) How many candidates were present at Simla for the selection test held a few days ago for permanent commissions in the Indian Medical Service ?

(b) How many of them possessed purely Indian qualifications and how many purely English qualifications and how many mixed qualifications ?

(c) How many of those selected for permanent commissions in the Indian Medical Service possess only Indian qualifications how many purely English qualifications ?

2. Will the Government be pleased to state if amongst the candidates who appeared for the selection test there were any who are already holding temporary commissions and, if so, how many of them possess purely Indian qualifications and if all those who possessed purely Indian qualifications were rejected ?

3. Will the Government be pleased to state if any instructions from the Secretary of State have been sent to the Selection Board prescribing certain lines of procedure in the selection of candidates for permanent Commissions and if those instructions put a specific ban on Indian qualifications as compared with English qualifications ?

4. Will the Government be pleased to lay these instructions if any on the table for the information of the Assembly ?

Mr. G. M. Young : 1. (a) The Honourable Member is referred to the reply given to part (a) of Mr. Gaya Prasad Singh's question No. 738.

(b) 21 candidates possessed British qualifications only ;

9 candidates possessed Indian qualifications only ;

24 candidates possessed both Indian and British qualifications.

(c) No candidate possessing only Indian qualifications was recommended by the Board. Of the candidates recommended, 8 possessed purely British qualifications. That, I think, is the answer to the supplementary question which Mr. Gaya Prasad Singh has just now put.

2, 3 and 4. The Honourable Member is referred to clauses (a), (c), (d) and (e) of the reply given to Mr. Gaya Prasad Singh's question No. 738.

GRANT OF CONCESSIONS TO THE SWEDISH MATCH COMBINE.

760. *Mr. B. Das : With reference to starred question No. 18, answered on the 18th August 1927, will Government be pleased to state if the Swedish Match Combine have received or have applied for any concessions from the Government of India or from any of the Local Governments in any shape or form ?

The Honourable Sir Bhupendra Nath Mitra : Information on the subject has been called for and the result will be communicated to the Honourable Member in due course.

Mr. B. Das : May I request that it may be communicated to the House ?

The Honourable Sir Bhupendra Nath Mitra : The usual practice nowadays is to send the reply to the Honourable Member. I believe the object of that arrangement is to save a certain amount of expense to the tax-payer on printing charges. If, however, there is any general demand on the part of the House for the information, and if I find that the information does not lead to a lengthy document, I should be quite ready to place it on the table of the House. Otherwise, I shall place the information in the Library.

SELECTION OF CANDIDATES FOR PERMANENT COMMISSIONS IN THE INDIAN MEDICAL SERVICE.

761. *Mr. B. Das : (a) With reference to the Press report regarding the last selection of candidates for the permanent I. M. S. will Government be pleased to state if sixty candidates appeared for the test and that only fifteen of them were selected ?

(b) Will Government be pleased to state what are the qualifications for the permanent I. M. S. ?

(c) Is it a fact that no candidate was selected who possessed merely Indian medical degrees ?

(d) Will Government be pleased to state what are the degrees of European or British Medical Universities necessary for selection to the I. M. S. ?

(e) Is it a fact that the Selection Board which sat in Simla recently were guided by certain instructions from Whitehall ?

(f) If the answer to (e) be in the affirmative will Government be pleased to lay the said instructions on the table ? If not, why not ?

Mr. G. M. Young : (a) The Honourable Member is referred to the reply given to Mr. Gaya Prasad Singh's question No. 738.

(b) Candidates must possess a qualification registrable in Great Britain and Ireland under the Medical Acts in force at the time of their appointment.

(c) Yes. But I would refer the Honourable Member to clause (b) of my reply to Mr. Gaya Prasad Singh's question No. 738.

(d) Details of the Indian and British medical qualifications that are registrable in the United Kingdom are given in the " Medical Register " issued every year by the General Council of Medical Education and Registration of the United Kingdom.

(e) and (f). I would invite the Honourable Member's attention to clause (d) of the reply I gave to Mr. Gaya Prasad Singh's question No. 738.

Mr. B. Das : May I enquire if it is the decision of the Government of India that Indian University medical degrees are not qualifying degrees for the I. M. S. ?

Mr. G. M. Young : I have already said that that is not the case.

Mr. B. Das : May I also enquire if the Indian University degrees are not qualifying degrees for the I. M. S., will the Government see their way to abolish Indian medical colleges ?

(At this stage an Honourable Member crossed the Chamber between the Chair and the speaker.)

Mr. President : Order, order.

Mr. Gaya Prasad Singh : May I ask why no one possessing merely Indian medical degrees was selected ?

Mr. G. M. Young : I have already explained that the Selection Board, as far as I know, selected candidates according to merit. The qualifications are considered by the Selection Board. The Selection Board have no instructions with regard to purely Indian medical qualifications, and there is no policy of the Government of India, so far as I am aware, with regard to purely Indian medical qualifications.

Mr. Gaya Prasad Singh : Is it the contention of Government that candidates possessing merely Indian qualifications are inferior to those possessing purely European qualifications ?

Mr. G. M. Young : I have already said that there is no decision and no policy on that point of the Government of India.

Mr. N. M. Joshi : May I ask how the Government explain the wonderful phenomenon of the exclusion of those candidates who possessed only Indian qualifications ?

Mr. G. M. Young : Government have made no attempt to explain it, nor do they consider it a very wonderful phenomenon.

Mr. M. B. Jayakar : Is it not more straight and honest to put the preference on the ground of racial discrimination ?

Mr. G. M. Young : All the candidates that we are discussing were Indians.

Mr. Chaman Lall : May I ask the Honourable Member if there has been any case in which Indians with Indian qualifications only have been given permanent commissions ?

Mr. G. M. Young : Past or this time ? This time—No.

Mr. Chaman Lall : Recently.

Mr. G. M. Young : I will find out and let the Honourable Member know.

Mr. K. C. Neogy : May I repeat my question as to whether any special consideration is shown to an Indian officer holding a temporary commission for active war service ?

Mr. G. M. Young : I have already answered that question. There is no special consideration shown except consideration of merit and qualifications.

APPOINTMENT OF E. J. MACKAY AS AN ASSISTANT SUPERINTENDENT OF THE ARCHAEOLOGICAL SURVEY.

762. ***Kumar Ganganand Sinha :** (a) Is it a fact that Mr. E. J. Mackay has been appointed as an Assistant Superintendent of the Archaeological Survey and deputed to work at Mahenjo Daro ?

(b) If the answer is in the affirmative, will the Government be pleased to state the date of his appointment, his pay and allowances and the nature of his work at Mahenjo Daro ?

(c) Will the Government be pleased to state whether the post was advertised and if so, in what manner ?

(d) How many applications were received from Indians, what were their qualifications and why were they not appointed ?

(e) Is it a fact that one of the chief works to be done at Mahenjo Daro is to read script ?

(f) If so, what is the special qualification of Mr. Mackay so far as the reading of ancient scripts is concerned ?

Mr. A. R. Dalal : (a) Yes.

(b) 18th November 1926 ; pay Rs. 1,000 per mensem ; overseas pay £30 per mensem ; officer in charge of the excavations at Mohenjo Daro.

(c) The post was not advertised. For the conduct of excavations at Mohenjo Daro a practical excavator with an intimate knowledge of Mesopotamian antiquities was required and there was no Indian archaeologist who possessed the requisite qualifications.

(d) Does not arise.

(e) No. The script found at Mohenjo Daro is illegible. It has not yet been deciphered.

(f) Does not arise.

Sir Hari Singh Gour : How did the Government come to the conclusion that there was no one in India possessing the requisite qualifications when they did not advertise the post ?

Mr. A. R. Dalal : Because, Sir, the officer required was one with large experience of excavations at Mesopotamia and also with some knowledge of Sumerian antiquities, and it was not at all likely that an Indian possessed of those qualifications would have been found.

Diwan Chaman Lall : How can the Honourable Member say it is not likely that any Indian would have been found with those qualifications ?

Mr. A. R. Dalal : We were guided by our experts in the Archaeological Department, and I do not think it is very difficult to imagine that no Indian possessing knowledge of Sumerian antiquities and Mesopotamian excavations could have been found.

Kumar Ganganand Sinha : And even outside India Mr. Mackay was the only gentleman who was found qualified ?

Mr. A. B. Dalal : Mr. Mackay was regarded by the Director General of Archaeology as very well qualified, and as his services would not have been available to us long, if we had advertised all the world over, he was appointed.

U. Tok Kyi : What are Mr. Mackay's qualifications ?

Mr. A. B. Dalal : Mr. Mackay has had 25 years' experience of excavations in Mesopotamia.

Kumar Ganganand Sinha : What is the connection between Sumerian antiquities and the antiquities excavated at Mohenja Daro ?

Mr. A. B. Dalal : That is a very learned question, but I understand that it was originally anticipated that there would be some kind of connection between these very difficult and illegible script and antiquities and Sumerian antiquities.

Kumar Ganganand Sinha : Has Mr. Mackay been able to read it ?

Mr. A. B. Dalal : No one has been able to read the script.

Sir Hari Singh Gour : When did the Government discover any connection between the excavations at Mohenjo Daro and Sumerian architecture ?

Mr. A. B. Dalal : I did not say that any connection has yet been proved.

Sir Hari Singh Gour : Then why it is that a knowledge of Sumerian antiquities was considered as *sine qua non* for the appointment ?

Mr. A. B. Dalal : I did not say that knowledge of Sumerian architecture was considered as a *sine qua non*, but a knowledge of Mesopotamian excavations was considered a very necessary qualification.

Sir Hari Singh Gour : Are not Mesopotamian excavations closely connected with Sumerian activities ?

Mr. A. B. Dalal : I am afraid, Sir, we are going beyond our depth—at least I am going beyond my depth. (Laughter.)

RESERVATION OF THE BUNGALOW AT MAHENJO DARO FOR EUROPEANS.

763. ***Kumar Ganganand Sinha** : Is it a fact that Indians living in European style are not allowed to occupy the bungalow at Mahenjo Daro which is reserved for Europeans, even when that is unoccupied and the visitor wants to occupy it ? If so, will the Government be pleased to state its reason ?

Mr. A. B. Dalal : The bungalow at Mohenjo Daro is not a rest house but a departmental bungalow. It is intended for the use of Archaeological officers stationed there and is occupied by European and Indian officers alike without distinction.

RESOLUTION OF THE GOVERNMENT OF INDIA REGARDING ARCHÆOLOGICAL POLICY.

764. ***Kumar Ganganand Sinha** : Will the Government be pleased to lay on the table a copy of the Resolution of the Government of India

regarding their Archæological policy published soon after the appointment of Sir John Marshall as the head of the Department and fully indicate how far action has been taken in pursuance of the Resolution up to date ?

Mr. A. B. Dalal : A copy of the resolution is laid on the table.

The attention of the Honourable Member is invited to the Annual Published Reports of the Archæological Department which show the action taken in pursuance of the policy laid down in the Resolution.

—
Resolution.

The conservation of the ancient buildings which provide so splendid a record of Indian history and so interesting an illustration of the artistic and religious feelings of the past is a task that should appeal powerfully to the sympathy of the Government of this country, and that must be regarded as a responsibility for the due discharge of which it will properly be held to account. For some time past the attention of the Governor General in Council has been directed to the question of securing the recognition of a liberal policy in this matter, and of increasing the efficiency of the organization which exists for carrying it into effect. Under a scheme which was introduced in 1898 the provinces of British India were grouped into five circles to each of which an Archæological Surveyor was appointed, to be paid from the Imperial revenues but to be controlled by the Local Government within whose jurisdiction his headquarters were situated. He was charged with the duties of cataloguing archæological remains, of advising the Local Government concerning the preservation of such of these remains as merited care, and, generally, with the prosecution of archæological research. Responsibility for the effective conservation of such monuments as it was decided to maintain was left with Local Governments, which were to employ the agency of the Provincial Public Works Departments in carrying out necessary measures of construction and repair. This responsibility has led in some provinces to a liberal and well-judged expenditure, and the Governor General in Council recognizes that the local interest and pride in the public monuments of a province which are thereby developed should furnish the most effective security against their neglect. But the organization has been shown to be imperfect in so far as it has left the Archæological Department without an expert Head, who could assist local effort with authoritative advice and guidance, and maintain a continuous record of the archæological needs of the various provinces and of the action taken to meet them. In the absence of such a central authority the attention that is given to the conservation of the ancient monuments of the country, and to archæological questions in general, must depend partly upon the attractiveness which these subjects may possess for particular Heads of Local Governments and Administrations, partly upon the sufficiency of available funds. With a view to introducing greater uniformity as well as greater liberality of treatment, the Governor General in Council has determined, with the approval of the Secretary of State, to appoint tentatively, for a term of five years, a Director General of Archæology; and Mr. J. H. Marshall has been selected for the post. In name, the appointment will be a revival of that held by Major General Cunningham and Dr. Burgess between the years 1871 and 1889. But the duties of the incumbent will extend considerably beyond the direction and control of archæological research to which these officers mainly directed their attention. It will be the most important of his functions to secure that the ancient monuments of the country are properly cared for, that they are not utilized for purposes which are inappropriate or unseemly, that repairs are executed when required, and that any restorations which may be attempted are conducted on artistic lines. In this respect his position will be generally similar to that occupied by the Curator of Ancient Monuments who held office from 1880 to 1883. But his duties will extend to the exercise of a general supervision over all the archæological work of the country, whether it be that of excavation, or preservation, or repair, or of the registration and description of monuments and ancient remains, or of antiquarian research; he will assist the Provincial Surveyors in ascertaining and formulating the special requirements of each province; and he will advise the Government of India as to the operations for which special subsidies may be allotted from Imperial funds. He should visit all the circles in succession, and the more important ones, so far as is possible, in each year, succinctly reporting the general results of his tour to the Local Government of each province visited and offering any suggestion that be

may have to make in connection with the buildings which he has inspected. He should co-ordinate and bring up to date the local surveys and reports; and he will be expected to submit annually to the Government of India a brief report on the progress effected during each official year.

2. The Governor General in Council desires to make it known that the creation of this appointment is in no way intended to weaken the responsibility of Local Governments for the care of the ancient monuments of their provinces. Their duty in this respect will remain unimpaired; but it is hoped that a stimulus may be lent to its continuous and effective discharge by the offer of expert advice and, where required, of practical assistance. The present arrangements under which repairs and restorations are carried out by the Provincial Departments of Public Works will remain unaltered; and the Government of India are indeed of opinion that in the interests of continuity of administration it is desirable that each Local Government should fix an annual minimum sum to be expended on these purposes. The Governor General in Council is prepared to emphasize his own responsibility in the matter and to facilitate the prompt undertaking of necessary works by reserving annually a sum of one lakh of rupees to be distributed for particular objects demanding early execution and shown to be beyond the financial capacity of Local Governments. It is further in contemplation to take powers by legislation for the more efficacious protection and repair of ancient buildings, in which case these subsidies will prove of special assistance to those administrations whose archaeological responsibilities will thereby be enhanced.

Order.—Ordered that a copy of the foregoing Resolution be forwarded to the Local Governments and Administrations noted below for information and guidance and to the several Departments of the Government of India, for information.

Ordered also that a copy of the foregoing Resolution be forwarded to the Director General of Archaeology for information and guidance.

Ordered, also, that the Resolution be published in the Supplement to the Gazette of India for general information.

Government of Madras.

Government of Bombay.

Government of Bengal.

Government of the North-Western Provinces and Oudh.

Government of Punjab.

Government of Burma.

The Honourable the Chief Commissioner of the C. P.

The Honourable the Chief Commissioner of Assam.

The Chief Commissioner, Ajmer-Merwara.

The Chief Commissioner, Coorg.

The Honourable the Resident at Hyderabad.

The Honourable the Agent to the Governor General and Chief Commissioner of the North-West Frontier Province.

(True Extract.)

J. B. FULLER,

Secretary to the Government of India.

**REFUSAL OF PERMISSION TO MR. RAM NARAYAN SINGH, M.L.A., TO VISIT THE
DETENUS IN THE HAZARIBAGH JAIL.**

765. *Kumar Ganganand Sinhab: Will the Government be pleased to inquire and state what were the causes that prevailed upon the Governments of Bihar and Orissa and Bengal to refuse permission to Mr. Ram Narayan Singh, an Honourable Member of the House, to visit the Hazaribagh jail with the object of inducing the detenues to put an end to the hunger strike that they were observing?

The Honourable Mr. J. Orerar : The Government of India have not received any information.

Mr. Gaya Prasad Singh : Will the Government be pleased to ask the Government of Bengal and the Government of Bihar and Orissa to give their reasons for refusing to allow a Member of this House to visit the detenus in Hazaribagh Jail.

The Honourable Mr. J. Orerar : Questions relating to the internal administration of jails are entirely within the competence of Local Governments and the Government of India would not be prepared to call for reports on matters which are so distinctly within their competence.

HUNGER STRIKE OF THE BENGAL DETENUS IN THE HAZARIBAGH JAIL.

766. ***Kumar Ganganand Sinha :** Will the Government be pleased to state fully the reasons for the hunger strike observed by the Bengal detenus at Hazaribagh, its origin and its end ? If not, why ?

The Honourable Mr. J. Orerar : I am making enquiries on the subject.

PROVISION OF LATRINES IN THIRD CLASS CARRIAGES ON THE BARSU LIGHT RAILWAY.

767. ***Khan Bahadur Haji Abdullah Haji Kasim :** (a) Are the Government aware of the inconveniences caused to the third class passengers owing to there being no latrines in the third class carriages on the Barsu Light Railway between Pandarpur and Lathur a distance of 110 miles ?

(b) If so, what steps have the Government taken to remove this inconvenience to the third class passengers ?

(c) If not, will the Government enquire into the matter and do the needful ?

Mr. A. A. L. Parsons : Government are not aware of the inconvenience complained of but are bringing the matter to the notice of the Company concerned.

PROVISION OF LATRINES IN RAILWAY CARRIAGES RUNNING BETWEEN PANDHARPUR AND MIRAJ.

768. ***Khan Bahadur Haji Abdullah Haji Kasim :** (a) Are railway carriages ready for the proposed line between Pandarpur and Miraj a distance of about 84 miles ?

(b) If so, are latrines provided in the third class carriages ?

(c) If not, will the Government provide latrines in the third class carriages ?

Mr. A. A. L. Parsons : (a) Yes.

(b) Only in the compartments for women.

(c) Government are bringing the matter to the notice of the Railway Company concerned.

RECRUITMENT OF MOPLAHS FOR THE INDIAN TERRITORIAL FORCE.

769. ***Khan Bahadur Haji Abdullah Haji Kasim** : (a) Is it a fact that recruitment is going on at Cannanore in the District of Malabar for the Territorial Force ?

(b) If so, is it a fact that only Nairs and Tiyyas are being recruited ?

(c) Do Government intend recruiting Moplahs also for the Territorial Force ?

(d) If so, when, and in what number ?

Mr. G. M. Young : (a) Government have no detailed information, but recruiting to replace vacancies in the establishment of the 12th and 13th Battalions of the 3rd Madras Regiment, located at Cannanore is most probably proceeding as usual.

(b) The 12th and 13th Battalions of the 3rd Madras Regiment consist of 2 companies each of Nairs, 1½ companies of Thiyyas and a ¼ company of Christians.

(c) The answer is in the negative.

(d) Does not arise.

QUESTIONS NOT PUT, OWING TO THE ABSENCE OF THE QUESTIONER, WITH ANSWERS TO THE SAME.

APPOINTMENT OF SOME MUHAMMADANS IN THE SUPERIOR GRADES ON RAILWAYS.

770. ***Mr. A. H. Ghumavi** : (a) Will the Government be pleased to lay on the table a statement showing the respective numbers and proportions of Europeans and Indians (excluding Anglo-Indians) employed in the Railways, owned by the Government, in the superior grades of from Rs. 200 to Rs. 1,000 ?

(b) Will the Government be further pleased to lay a statement on the table showing the number of Indians (excluding Anglo-Indians) and Europeans respectively, now employed in the Railway administration, carrying salaries of Rs. 1,000 and upwards ?

(c) Will the Government be pleased to state the respective number of Muhammadans and non-Muhammadans employed in the Railway administration with salaries starting from Rs. 200 to Rs. 1,000 and from Rs. 1,000 and upwards ?

(d) Do Government propose to consider the desirability of appointing more Muhammadans representing the different provinces in the superior grades of the Railway administration, specially in the grades of Rs. 500 and upwards ?

(e) Will the Government be pleased to state the respective number of such Muhammadans belonging to the various provinces of India ?

(f) Are Government prepared to take early steps to make such appointments in future in a way so as to ensure an equitable representation of the different provinces in the service ?

Mr. A. A. L. Parsons : (a), (b) and (c). I would refer the Honourable Member to Appendix F of Railway Board's Report on Indian Railways for 1925-26, Volume I. No other information is available.

I may mention that this Appendix does not at present show the number of Anglo-Indians separately ; but in response to a suggestion made by Pandit Hirday Nath Kunzru during the debate on the last Railway Budget we intend to give separate figures for Anglo-Indians in this Appendix, in future.

(d) and (f). I would refer the Honourable Member to the Regulations for the recruitment for certain Superior Railway Services published in the Gazette of India of the 17th July, 1926, and 9th July, 1927, in which provision has been made for the redress of communal inequalities. Those Regulations also provide that the number of candidates to be nominated from the various provinces should be fixed in a certain proportion.

(e) Government have no information.

PROGRESS MADE IN CONNECTION WITH THE CONSTRUCTION OF THE SINGHJANI TANGAIL-PINGNA RAILWAY IN THE MYMENSINGH DISTRICT.

771. *Mr. A. H. Ghuznavi : (a) Will the Government be pleased to state the progress made with regard to the Singhjani-Tangail-Pingna Railway scheme in the District of Mymensingh in Bengal ?

(b) Will the Government be pleased to state whether the survey with regard to the said scheme has been completed ? If not, when is the said survey expected to be completed ? If yes, will the Government be further pleased to state the approximate date when the work of construction would be started ?

(c) Is it not the fact that the said scheme has been under contemplation for a long time now ? And do Government propose to push on the said scheme with expedition so that the Railway might be opened by 1929 ?

Mr. A. A. L. Parsons : (a) and (b). It is proposed to make a traffic survey of the project during the coming working season. After consideration of the Report on the traffic survey, it will be decided whether construction should be undertaken.

(c) Yes. If the survey shows satisfactory results, no time will be lost in commencing construction.

APPOINTMENT OF AN INDIAN AS MEMBER OF THE RAILWAY BOARD.

772. *Mr. A. H. Ghuznavi : (a) Will the Government be pleased to state whether they have taken any steps to carry out their promise made to the Indian Legislative Assembly of appointing an Indian Member of the Railway Board ?

(b) If nothing has been done in that direction, will the Government be pleased to give the reason why they have not yet given effect to the said promise ?

(c) Will the Government be pleased to state when an Indian Member would be appointed on the Railway Board ?

The Honourable Sir George Rainy : (a), (b) and (c). I would draw the Honourable Member's attention to the remarks made by the Honourable Sir Charles Innes in his speech on the motion of Mr. S. Srinivasa Iyengar on the Railway Budget on the 23rd February 1927. (Page 1241 of Volume IX, No. 22.)

THE INDIAN FOREST BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Sir Hari Singh Gour (Central Provinces Hindi Divisions : Non-Muhammadian) : Sir, I beg to present the Report of the Select Committee on the Bill to consolidate the law relating to forests, the transit of forest produce and the duty leviable on timber and other forest produce.

THE GOLD STANDARD AND RESERVE BANK OF INDIA BILL— *contd.*

Mr. President : The House will now resume consideration of the Bill to establish a gold standard for British India and constitute a Reserve Bank of India, clause by clause.

The question is :

“ That clause 7 do stand part of the Bill.”

The Honourable Sir Basil Blackett (Finance Member) : Sir, I beg to move the amendment, No. 26 on the order paper, which stands in my name, namely :

“ That in clause 7, after sub-clause (a), the following sub-clause be inserted, namely :

‘ (b) is a member of the Indian or a local Legislature, or ; and sub-clauses (b), (c) and (d) be re-lettered (c), (d) and (e), respectively, and for the letter ‘ (d) ’ in the *Krplanation* the letter ‘ (e) ’ be substituted.’ ”

Sir, this is one of the amendments to which the Government of India attach special importance. The provision that Members of the Legislatures as such should not be eligible for membership of the Directorate of the Reserve Bank was among the unanimous recommendations of the Currency Commission. It is a provision that is found in a considerable number of statutes of the Central Banks throughout the world, and the reasons for this are fairly simple. It is obviously desirable that there should neither be a definite intermixture of politics in the business of controlling currency and credit, nor should there be any room for suspicion of such intermixture. This is perhaps even more important now that this Bank is to be not a shareholders' bank but what is called a State Bank. The provision allowing Members of the Legislatures to be members of the Directorate was reinserted by the Joint Committee. I think there is a certain amount of misapprehension on this matter. I am quite prepared to admit that there are always likely to be a considerable number of Members of the Legislatures who are well qualified to serve as Directors of the Reserve Bank. But it is desirable that they should make a definite choice between the two. If they desire to serve as members of the Directorate of the Reserve Bank, they ought in the first place to be readily available for meetings of the Board. If they are going to spend a considerable portion of the year in attendance at Delhi or in Simla at the Sessions of the Assembly and the Council of State, or at Sessions of their local Legislatures, they will not really have the time and energy properly required for the performance of their duties as members of the Reserve Bank Board. It is not proposed that they should be disqualified for election, but if they are elected they must choose either that they should

[Sir Basil Blackett.]

be Reserve Bank Board Members or that they should be Members of the Legislature. The functions of the Reserve Bank Board will be very important and difficult, and it is desirable that the members of that Board should be permitted to devote as much as possible of their energies to the work involved. I think it is clearly quite impracticable for them, if they take an active part in the life of this Assembly or the Council of State or of a local Legislature, to be taking an active part at the same time in performing the functions of membership of the Reserve Bank Board. The objections to Members of the Legislatures being also members of the Board are I think present to the mind of anybody who begins seriously to consider the subject. Obviously, there is a certain amount of difficulty in this Assembly in arguing that Members of the Assembly should not be members of the Board. I desire to make it perfectly clear that that means no reflection on Members of this Assembly. It is undesirable that they should be combining either their politics or their business in such a way as to be mixing up their duties as members of the Reserve Bank Board with their duties as active Members of this Legislature. I would ask this House to remember that in voting on this amendment, it is considering to some extent a self-denying ordinance (Laughter), and I think that in considering that as a self-denying ordinance, it should give the benefit of the doubt, if it possesses any in its mind, to the virtues of self-denial. I know that this matter has been considered and that there is considerable objection on the part of some Members to this proposal; but I would ask the House, in consideration of the concord at which we are in process of arriving at on the whole question of the Directorate of the Reserve Bank, to think twice and three times before committing itself to the view that membership of the Legislatures and membership of the Reserve Bank can properly be combined, and to remember that the Government have been trying very hard to make those concessions that are in their power with a view to securing that the Bill may rest safely on the Statute-book. Sir, I move.

Mr. A. Rangaswami Iyengar (Tanjore cum Trichinopoly : Non-Muhammadan Rural) : Sir, if I rise to oppose the amendment which Sir Basil Blackett has moved, it is because I desire the Honourable Member to consider certain criteria which I am sure he himself at many times stated before the House. We have been told that in this country banking is undeveloped, business is undeveloped, commercial men are all too few, and that the extent of interest that commercial men take in public and financial affairs is far too limited; and I am sure Sir Basil Blackett will be the last man to deny the fact that, if he is going to place a limitation on Members of the Legislative Assembly electing to the directorate of the Central Bank, he will be extremely narrowing the choice of those who will have the right to elect or nominate directors and will thereby cripple the efficiency of the Board of Directors. Sir, it has been admitted on all hands that the number of business men available for the discharge of public duties, whether it be in the Legislature or in such a public institution as the Central Bank, is none too great in our country. We hope that it will increase; and we are sure, when that situation arrives, it will not be necessary to impose any limitations and that there will be, in the process of nature, a proper division of functions between business men who would like to take part

in the public duties of a Legislature and business men who would like to take part in the business duties which appertain to a Central Bank. Sir, that time has not arrived admittedly. Until that time arrives, I say, from the point of view of the efficiency of the Central Bank, it is obvious that to impose a limitation of this character is certainly a most undesirable thing. It will defeat the very object which the Honourable the Finance Member has in view. In the next place, Sir, yesterday the Government as well as we on this side agreed to the definite principle that so far as the Central Bank is concerned, it should be a representative body; it should contain a majority of Indian elected Members. Sir, when that principle has been conceded, I say it is a denial of that principle if you deny to the electorate the right to choose those whom it considers best qualified to discharge the duties of a Director on the Central Board. The limitation that is sought to be imposed is a limitation which it is well within the power of the electorate itself to consider and judge. It is not right that a limitation of this character should be imposed on the electorate, and I say it is a deprivation of the fundamental rights of the electorate to restrict its choice in the manner proposed. In the next place, Sir, I desire to state that so far as this disqualification is concerned, the Government originally wanted to couple it with the proposal that Members of the Legislature should not constitute themselves into an electorate and that Members of the Legislature should not get elected to the Central Bank. Sir Basil preached the virtues of self-denial on the part of the Legislature. Sir, if my friend, Sir Basil had conceded the right to the Legislature (as the Joint Committee had proposed), here and to the Legislatures in the provinces to elect Directors, I could understand what he now says, namely, that the Legislatures, when they possess the power to elect, should practise the virtue of self-denial and should not elect one among themselves. Sir, when proposals are now under consideration to constitute electorates outside of the Legislature from the public, people who will represent wide interests, who will bring up a proper Directorate to the Central Bank, I say, Sir, that when the Legislature itself is not going to have a hand in the elections, it is wrong to tie the hands of such electorates and say "You shall not take anybody from the Legislature." After all, Sir, in what sense can you say that a Member of the Legislature cannot properly discharge the duties of a Central Bank? It is not as if he will bring politics into the affairs of the Central Bank. They cannot go by political considerations; they are only dealing with business there. Will the Member bring the financial affairs of the Central Bank into this House? I say, Sir, that if he does so and thereby commits any breach of the principles of business which Directors are expected to conform to, that is a reflection upon the Member who will be elected to the Central Directorate, and I refuse to believe that any Director of the Central Directorate as such would so use his position as a member of the Central Bank's Directorate as to come into this House and make political capital of what is essentially a business function. I do not think our past experience in this respect has been in any respect wrong. We have here in this Legislature Members who are members of the Directorate of the Imperial Bank. Have we found Imperial Bank politics trotted out by these Directors in this House? I do not think any instance can be cited of that case. Therefore I refuse to believe that the Members of the Legislature by the mere reason that they are Members of this Legislature would be prejudiced either in the discharge of the duties of the Central Bank or of

[Mr. A. Rangaswami Iyengar.]

the Legislatures. If, as a matter of fact, a Member of the Legislature finds that the duties of the Central Bank Directorate as well as of the Legislature are too arduous for him to undertake, he will be the first man to give one up. The whole question is this. You are giving this power to the electorate. Is it not our duty to leave it to the electorate to find out whether its nominee is a proper man, whether he will discharge his duties, whether he will find time to do those duties, whether he will be impartial, whether he will keep all the traditions of honour and of business methods both in the Central Bank and in the Legislature? I therefore think that the imposition of this disqualification is wholly unnecessary and, is also opposed to the fundamental principles of election, and I oppose the amendment.

*Mr. Vidya Sagar Pandya (Madras : Indian Commerce) : Sir, I have already spoken on this question when I moved my amendment. I simply rise to make one correction in the remark made by the Honourable the Finance Member that in no leading banks any Member of the Legislature is found. I have got with me a list of the Bank of England Directors, in which I find the name of a member of Parliament.

The Honourable Sir Basil Blackett : May I point out, Sir, that I did not say that in no leading banks any Member of the Legislature was found. What I said was that this provision finds a place in very many of the statutes of Reserve Banks.

Mr. Vidya Sagar Pandya : I simply want to draw the attention of the House to the fact that in the Bank of England members of Parliament are not debarred from sitting as Directors and actually we find one or two members of Parliament on the Directorate. I merely want to give this information to the House and support the contention of my friend Mr. A. Rangaswami Iyengar.

Mr. K. C. Roy (Bengal : Nominated Non-Official) : Sir, I rise to support the amendment of Sir Basil Blackett. I do so with very great pleasure. But I am very sorry to differ from my esteemed friend Mr. Rangaswami Iyengar. He has been a lifelong friend of mine both in the profession as well as in politics. But, Sir, I believe he is not right. What is the choice that Sir Basil Blackett has given us? He says "Choose politics or choose finance and commerce." I think, Sir, he is for once right. (Laughter.) I have often believed that the shoemaker should keep to his last. Now, Sir,.....

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot : Non-Muhammadan Rural) : Why should a newspaper man be in the Assembly?

Mr. K. C. Roy : A newspaper man is both a politician and a journalist.

Now, Sir, I come to the proposition of Sir Basil Blackett. What does he say? If he says that no legislator is eligible for appointment on the Central Board of the Bank as a Director, I shall certainly oppose his motion. I am not going to write down once for all that Members of this House are ineligible for the bank directorship. What he has told us is a question of choice. As there are bankers, business men and

* Speech not corrected by the Honourable Member.

economists, growing all over the country and there are men really who are anxious to pursue banking as a profession, let us not restrict their choice, but let us practise the self-denying ordinance and let us restrict our own choice and let us be once for all either legislators or bankers. I therefore, Sir, have very great pleasure in supporting the amendment of Sir Basil Blackett.

* **Mr. H. G. Cocke** (Bombay : European) : Sir, I think this proposal is a very healthy recommendation of the Royal Commission. This is merely accepting the proposition of the Royal Commission. As regards the practical point of view, as set forth by Mr. Rangaswami Iyengar and as we say in our minute of dissent, it is quite true that the number of men available for the Legislatures and for the Reserve Bank is not too great. But that is a different thing to saying that you cannot get men. I do not know very much about Madras, but I am not quite certain that it will be impossible for Madras to produce a good Director or good Directors for the Reserve Bank without encroaching on the field of the Legislature, the local Council and the Assembly. Certainly so far as Bombay is concerned, I do not think it will be difficult at all ; there are plenty of able men in Bombay.

Mr. A. Rangaswami Iyengar : We want the best men.

Mr. H. G. Cocke : I see no practical difficulty in accepting the amendment and one cannot but regard it as a most healthy principle recommended by the Royal Commission.

Mr. M. R. Jayakar (Bombay City : Non-Muhammadan Urban) : Sir, I am very sorry that I have to oppose the amendment moved by the Honourable the Finance Member, and I do hope that in consistency with the salutary spirit which he showed yesterday and which on this side of the House we very much approved, he will not insist upon this amendment going through. I did not take part in the early discussion on this Bill, Sir, but I am bound to say that there is always a sort of obsession of fear and distrust on the part of some Members on the opposite Benches wherever the Legislatures are concerned. The Honourable the Finance Member indulged in a very striking analogy in comparing this Bill with a pet child. But he reminds me, Sir, of a legend in Greek history which is more appropriate, namely, that a celebrated Greek sculptor prepared a female statue with which he eventually fell in love and the feeling became such a great obsession, Sir, that a kind friend destroyed the statue and thus enabled the sculptor to get rid of his obsession and acquire the free working of his natural faculties. I do hope, Sir, that the Government Benches in supporting this amendment will not be prompted by this kind of obsession ; my hope has become more pertinent having regard to the fact that the popular benches are showing a desire for and I am told are already in sight of a compromise under which they will not insist upon the Legislature electing its Members to the Directorate. There are negotiations going on at the present moment between the Government Benches and this side of the House by which a satisfactory compromise is likely to be arrived at, under which this side of the House will give up its contention that the Legislature ought to have direct representation on this Directorate. Under these circumstances, Sir, I beg of the Honourable the Finance Member not to insist upon this amendment going through ; that will be in consonance with the spirit of the compromise which we are likely to arrive

* Speech not corrected by the Honourable Member.

[Mr. M. R. Jayakar.]

at. He talks of self-denial, an admirable virtue in these days ; but let the Government of India make the beginning in this matter, by restraining their distrust of their Colleagues in the Legislature.

This amendment, Sir, is bound to be regarded by a large section of the Members on this side as a slight put upon the Members of this Legislature. Apart from other considerations connected with this question, one cannot avoid the feeling that by reason of being a Member of this Legislature one is being denied the membership of the Board, in spite of one's possessing all the requisite qualifications, business talent and experience, etc., of which this Bill speaks. The mere fact that one happens to be a Member of this House *ipso facto* constitutes a ban that is bound to be regarded as humiliating, whatever the Government may say in justification of it. I do hope, therefore, that the Honourable the Finance Member will not insist upon this amendment going through.

12 Noon.

Sir Victor Sassoon (Bombay Millowners' Association ; Indian Commerce) : Sir, I take it that the Honourable the Finance Member's point is, firstly, that it is undesirable for a member of a political body to be a Director of the Bank and, secondly, that his duties as a Member of the Legislature would interfere with his duties as a Director.

Sir Hari Singh Gour (Central Provinces Hindi Divisiona ; Non-Muhammadian) : Is it undesirable in any part of the British Empire ?

Sir Victor Sassoon : If I may take the second point first, I do feel that that argument is not a very strong one. If your point is that a legislator who looks after his business of legislating efficiently will not have the time to give to his duties as a Director of the Bank, why not also say that nobody who is in any form of business, which will interfere with his duties as a Director of the Bank, should be eligible to be a Director. Frankly, I do not think that your Directors need be whole-time Directors. It is true that, apart from their monthly meetings, there will be a daily committee which may take up part of their time, but I think in practice you will find that the Directors will be able to spare time for either their business or the local legislative work which they may desire to pursue. Secondly, we must remember that the Director of the Bank may prefer to neglect his duties as a legislator rather than neglect his duties as a Director. From that point of view, I think it would be invidious to pick out legislators and say that they must not be Directors merely from the standpoint that their time is too fully occupied.

With regard to the first point, I do realize the force of the argument that no political complexion should be attached to the Directorate of the Bank and from that point of view I do see a certain amount of force in the statement that a Member of the Legislature should not be a Director. I do not, however, personally attach a very great deal of force to it if my point of view were accepted that Directors would be elected first because of their business capacity. And I, therefore, take it that if a man is elected as a Director because of his business capacity, he would not allow the political side of his temperament to interfere with the business side. Still, the Honourable the Finance Member feels very strongly in this matter and if it is going to interfere with the solution.

may I offer very respectfully a small suggestion. Why not say that we will insist on this clause but that we will defer making it operative for a certain number of years ? During that period it would be known to everybody whether those Directors who were Members of the Legislatures were or were not efficient in their task as Directors of the Reserve Bank, and then the clause could either be withdrawn or allowed to become operative at the future date, say, five years hence.

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province : Nominated Non-Official) : Sir, I do not know why I should interfere in these matters, but something or other strikes me every now and then and I can hardly avoid the temptation of saying a few words and that is my excuse. I understand, Sir, that the Bank is going to be a State Bank and as such this Assembly will have to do a good deal in shaping its policy, etc. (*Honourable Members* : "No no.") If we have a Member of this Assembly as a member of the Directorate of the Bank, and that member disagrees with the views of the majority of the Directors on any matter connected with the Bank, he will have the advantage of pressing his personal views more effectively in this House than those who are not Members of this House. He will be in a particularly advantageous position in the Directorate as against those Directors who are not Members of this House. This disadvantage of the others might go against the interests of the Bank or at least against the views of the majority. If there is this likelihood of a member of the Directorate claiming to be speaking from personal knowledge and with similar other advantages about the Bank's affairs in this House, I think it will not be fair and just to his other colleagues. That is all I wanted to say on this amendment.

Mr. M. S. Aney (Berar Representative) : Sir, I rise to oppose the amendment moved by the Honourable Sir Basil Blackett. One point...

Mr. President : Does the Honourable Member support the amendment ?

Mr. M. S. Aney : I am opposing it. There were two points which the Honourable the Finance Member tried to make out in support of the amendment. One point has already been replied to very satisfactorily by Sir Victor Sassoon. The other point is this that there is an apprehension that a Member of this Legislature may not find sufficient time to devote himself to the work of the Bank. In this connection I want the House to remember that in all the Legislatures, including the Central as well as Provincial Legislatures, we have definitely got certain constituencies to represent the commercial and industrial interests. The object of creating these constituencies is to secure the best possible men from those constituencies to give us advice on these matters. If the amendment moved be passed, the result will be that either the Legislature will have the benefit of the best possible men in the industrial and commercial circles or the Reserve Bank will have the benefit of them. One of the two bodies, namely, the Legislature or the Reserve Bank, must be robbed of the best possible commercial or industrial advice that is available in the country. That will be the net result. Is it advantageous to us ? Can we afford to put up with it ? I think it is desirable that neither the Central Legislature nor the Provincial Legislatures should be denied the advantage of getting the best possible advice from these men nor should the Reserve Bank be robbed

[Mr. M. S. Aney.]

of their advice. That being the case, it will decidedly be to the disadvantage of one of these bodies if the proposed amendment is carried. So, there is no reason why we should accept the amendment and deny the privilege to the Members of the Legislatures of becoming Directors of the Reserve Bank.

As regards the Members of this Assembly who are to be Directors, I will say one thing. We have got in this Assembly Members who represent the commercial constituencies and do their work in the Legislature very satisfactorily. (Hear, hear.) We also actually find that they have been able to do their work in the various commercial bodies which they represent, and of which they are members, in the most satisfactory way, in fact in as satisfactory a way as they were doing before they were Members of the Legislature. Their membership of this Assembly has not in any way impaired their capacity to look up with ability and vigilance to their other commercial activities. I am sure that the fact that they are Members of this Legislature will not in any way stand in the way of the discharge of their duties as Directors of the Reserve Bank. As regards the time that is necessary for them to do their work, we have heard Sir Victor Sassoon say that it will not be impossible for him to do his duties in both places properly. He can devote his undivided attention to both duties; the one will not come into conflict with the other. That being the case, I do not see any reason for this House to accept the amendment. Particularly in view of the appeal which has been made by my Honourable friend Mr. Jayakar, and in consistency with the spirit of conciliation which the Leader of the House has shown yesterday, I submit that it will not be proper for him to press his amendment.

Mr. V. K. Aravamudha Ayangar (Finance Department : Nominated Official) : Sir, the question whether Members of the Legislature should be excluded from the directorate of the Reserve Bank came up for consideration before the Currency Commission at a very early stage of their deliberations. It was definitely put to them that the number of men in India who are versed in public affairs and finance was so small that if we made a provision of this sort, it would exclude a number of most desirable men. The Commission gave very careful consideration to this proposal and came to the deliberate conclusion that so far as the Central Board of the Reserve Bank is concerned, their main function was to regulate the general credit and currency policy of the country and that the exclusion of the Members of the Legislature from a seat on the Board was most desirable in the interests of India. They, moreover, thought that such a provision would be the best and easiest means of increasing the number of people who were versed in public affairs and finance. They, however, made a concession that in regard to the Local Boards which were only intended to carry out the policy laid down by the Central Board, there was no such strong objection to the Members of the Legislature being on that Board. It has been suggested in some quarters that that provision giving the concession to Members of the Legislature of a seat on the local Boards of the Reserve Bank has been rendered nugatory by the omission of any provision for local Boards in the Reserve Bank as it stands. In the first place, I would point out, the Commission had only one aim, one business and one endeavour. It was to give India a currency system which was based upon the modern practice and theory in other most advanced countries. Its

main object was to give to India a currency machinery which was capable of being worked to the lasting and permanent benefit of India. It was not the intention of the Currency Commission to devise appointments for Members of the Legislature. Secondly, if you take into consideration the fact that the number of men versed in public affairs and finance in India is very small, then why do you object to the Local Boards being taken away? It only gets rid of the difficulty of the number of posts to be filled up by public men being too great and the supply of men being too small.

Some of the Honourable Members referred to certain Central Bank statutes which do not place a ban on Members of the Legislature being on the Board. I think the Bank of Belgium was referred to. May I point out, Sir, that in the National Bank of Belgium there is a provision that no Member of the Legislative Chambers can be Governor, Director, Regent or Censor. Some other charters were referred to by Pandit Madan Mohan Malaviya and I think he must have been referring to certain pre-historic statutes. I can quote a certain number of other statutes of other countries which specifically debar Members of the Legislature from the Directorate. In Hungary, Members of the National Assembly are not eligible as members of the Board of Directors. In Austria, there is a similar provision debarring Members of the National Assembly. In Czecho-slovakia the members of the Bank may not, during the term of office, be Members of the legislative bodies. In the Federal Reserve System no Senator or representative in Congress can be a Governor of the Federal Reserve Board or a Director of the Federal Reserve Bank. Granted this in regard to the Federal Reserve System, it is argued that the chief executive of the Federal Reserve Board is appointed by the President. Why all this bogey of political control raised only in the case of India? We are not the persons, Sir, that are fitted to pass judgment on the working of the Federal Reserve System. Mr. Parker Willis, who was Secretary of the Federal Reserve Board for a long time and who is most competent to criticise the American system, says that the American method of constitution of the Board is unsatisfactory. In his own words, "it has fallen constantly under the supervision of politicians and even when not under their influence has been constantly fearful that it will be obliged to yield to them."

May I add one further reason why the Commission thought that Members of the Legislature should be excluded from the Directorate. The work of a Director will be a serious charge on his time and energy. It is very important that a Director should ever reserve practically the whole of his spare time and energy to this great national institution and he should not try to combine it with an active part in politics. Politics in India is more and more engrossing and Members have to be away for three or four months from their headquarters during the Assembly meetings. It is impossible for them to give their exclusive attention to the meetings of the Central Board while they are also Members of the Legislature. If there is a Central Board meeting at Bombay simultaneously with an Assembly meeting at Delhi or Simla, Members will never care to leave their seats in the Assembly and go to Bombay to attend the more pressing affairs of the Bank at Bombay. A really sound financial genius has more scope for useful and noble service to the country by serving on the Board of the Reserve Bank.

[Mr. V. K. Aravamudha Aiyangar.]

It has been mentioned that the members nominated by the Governor General to the Central Board of the Imperial Bank are all Members of the Legislature. The membership of the Reserve Bank is something different from the membership of the Central Board. The Reserve Bank will be the currency authority of the country with an enormous responsibility to the public. But the Imperial Bank of India is not a Central Bank of issue. It does not control credit and currency of the country. It is imperatively necessary in the case of Central Bank of issue that it should, like Caesar's wife, be above suspicion. (Hear, hear.) My Honourable friend Mr. Jayakar quoted a Greek legend. May I quote an Indian legend. There was a goddess in Nepal. The goddess took a baby in her lap and behold ! the goddess was not and the baby was ! Here is an institution given by the Currency Commission calculated to give inestimable benefit to India. Superimpose on this institution a political Board as now suggested ; I say, Sir, it will kill the Reserve Bank and the political Board itself will not last for a day. (Cheers.)

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadan Rural) : Sir, I am surprised to hear the arguments advanced by my co-Aiyangar (Laughter) supporting the amendment brought forward by the Honourable the Finance Member. He began quoting from his Scripture, the Report of the Royal Commission on Indian Currency and Finance and tried to point out that there were very valid and sound reasons why Members of the Legislature should be excluded from standing as candidates for directorship. I am unable to understand his arguments. He went so far as to try to convince this Assembly that there was no substance in the argument that Members of the Legislature should be eligible for membership on the directorate. My Honourable friend has been quoting a number of countries in which there is a rule that Members of the Legislature should not be on the Board of Directors in a bank. On the other hand I have not seen how it has been placed on the basis of political complexion existing in those countries. It is only in this country that politics are operating as a red rag to the eyes of Government. They often want to put everything on the ground that it is to be debarred on account of its political complexion. If only the Honourable Sir Basil Blackett would see a bit, he would find that according to his own proposal, it is only those politicians who come into such Legislatures that will be debarred from going in as Directors. There are worse politicians outside the Legislature and they will not be debarred from the Directorate. You will find for instance, my Honourable friend Mr. Srinivasa Aiyangar, the President of the Congress, if he had not come into this Assembly would have been eligible for membership on the Directorate. Now, for the simple sin of his having come into this Assembly, he will be debarred from entering this Directorate. Sir, I find absolutely no logic or reason in such a distinction being drawn between a politician who is outside the Legislature and a politician who is inside the Legislature. Perhaps the Honourable Sir Basil Blackett himself will realise that the politicians within the Legislature are much calmer than the politicians outside the Legislature at present and will be glad if those who have been tamed in the Legislature are allowed to go into the Directorate rather than politicians outside the Legislature who have not yet been tamed !

Now, Sir, my friend Mr. Ayyangar says the Skeen Committee discussion will be coming on here as well as other discussions, and all the Directors will be inclined rather to sit in the Assembly here and take part in those discussions than attend to the business of the Bank Directorate. But I am surprised to hear from Mr. Ayyangar that he anticipates that these discussions on the Skeen Committee's Report and such matters will be a lifelong struggle between the Government and this part of the House and never come to an end. He probably expects that the Skeen Committee's Report will be a hardy annual or a hardy sessional ! I for one hope that a better situation will soon prevail, so that all matters of such great controversy between us will soon be settled and we shall be able to sit down to do such business as is required of this Assembly and also attend to any other business which we may be called upon to do on the Directorate of the Bank. I ask if the Honourable Sir Basil Blackett who is entrusted with much of the financial work in the Government of India is prevented from doing all that work by reason of the fact that he has been made the Leader of the House and has to sit in this Assembly day after day ? Does his work suffer ? And if he is competent to do both the legislative work as well as his work as Finance Member of the Government of India, then, Sir, I feel that Members of the Legislature here will have much more time than Sir Basil Blackett himself has for attending to both functions, both responsibilities, and discharging them to the satisfaction of the electorate. Sir, the people who select Members to represent them in the Legislature do not take only politics into consideration but also various other aspects of their representatives, and primarily also the way in which they are able to control the finances of the Government of India. If those capacities are also required on the part of those who are asked to represent the constituencies in this Assembly, and particularly, as my friend Mr. Aney pointed out, the commercial representatives here, the banking representatives here, then I submit, Sir, there seems to be absolutely no reason why there should be this distinction drawn and a ban put upon the Members of the Legislature for the simple reason that they have come here to represent their constituencies.

Mr. Muhammad Yamin Khan (United Provinces : Nominated Non-Official) : Sir, I have heard both sides of the House and I frankly admit that I am convinced by the views advanced in favour of the amendment. I believe that every Member of the Legislature here belongs to a certain party and he is under a certain amount of influence of his own Party. If he is allowed to act as a Director of a Bank then the influence of the Party is sure to work on his mind and that will be injurious to the interests of India. I do not think that the Bank which has got the capital of the State should be in any way influenced by party politics. If party politics prevail then the interests of the peasants are sure to suffer. Honourable Members have been very anxious to support the cause of the peasantry of India, but I think when they will be working under the influence of their Parties they are sure to neglect the interests of the peasantry in favour of the interests of their own party. With this view I support the amendment and think it is a very sound amendment which has been made in this clause.

***Mr. Miles Irving** (Punjab : Nominated Official) : Sir, I do not think that the Honourable Member who spoke first in opposing this amendment realised that his argument was of a somewhat double-edged nature. He

* Speech not corrected by the Honourable Member.

[Mr. Miles Irving.]

said it was an unjustifiable restriction on the powers of the electorate when they are not to be allowed to choose members of this Directorate ; but it is also a restriction on the powers of the electorate that they should not be allowed to choose officials, and we have known electorates which would naturally have chosen officials if they had been allowed to do so. But, as a matter of fact, in this case I am in favour of both restrictions and for very similar reasons. Neither officials nor Members of this Legislature who are elected to it are altogether free men. An official in the long run has to be guided by the policy of Government ; and elected Members of this Legislature, as has just been stated by the Honourable Member on my right, have to be influenced by the decisions of their party. I do not wish to elaborate the argument that has just been raised but it struck me from the first to be the strongest. Party ties in this country are very strong. (*An Honourable Member* : " Are they any stronger than in England ? "). They are stronger than in England because I can say, perhaps looking at it as an outsider, that they have a quasi-religious sanction here. They seem to occupy not merely the sphere of politics but almost every sphere of life, and I feel it would be extraordinarily dangerous to allow Members who are thus tied and may be bound—if I may use the expression—to non-co-operate in every sphere of political activity to take their places in a body which has to exercise functions of a quasi-judicial character. Finally, Sir, how is this system to work ? In my own province of the Punjab, if arrangements for electorates are made as seems most likely, there will be at least 3,000 agriculturist electors and a considerably larger number of non-agriculturists. I do not think these electors will know very much about banking. If the names placed before them are going to be those of leaders of party politics, the banker, the financier, the professor of economics, the man who really could do good work is not going to have the ghost of a chance. The election, if it does not—as I greatly fear—take place on communal lines, will certainly take place on the lines of party politics. The party man has got his election agency, he has got his agents, and every arrangement made through the party for securing votes. The unfortunate—shall I say ? professor of economics in the university or the unfortunate banker who is outside party politics, will simply not have a look in. For these reasons—first of all, the reason of party politics and secondly in order to enable our simple ill-instructed electors to choose the best man,—I am strongly in favour of the amendment.

Mr. T. C. Goswami (Calcutta Suburbs : Non-Muhammadan Urban) : Mr. President, I think Government have sought to raise a bogey to the level of a principle, and I cannot, I am afraid, accept either the principle underlying the suggestion of the amendment proposed by the Honourable Sir Basil Blackett, nor can I agree with the practical considerations that have been urged in support of his amendment. I have never seen the tyranny of deductive logic so rampant as it has been this morning. We have been told that people in the Assembly or in any other Legislature are swayed by party considerations, by religious considerations. I think a Director on the Reserve Bank would be a very inconsiderable person if he had no views on political questions. If you have views and if you are capable of independent judgment on political questions, you must have a certain amount of political bias ; and any reasonable and thoughtful man, as I hope every Director of

the Reserve Bank will be, would, therefore, necessarily have his own views and leanings on political questions.

Being a Director of the Reserve Bank he does not on that account forfeit his citizenship ; he still continues to be a citizen of India and he still has got to think, if he is worth anything, if his brains are worth anything, if his judgment is worth anything, on every question that affects the destiny of his country. We have been told by the last speaker that the Directors on the Reserve Bank Board would sit in a judicial capacity.....

Mr. Miles Irving : Quasi-judicial.

Mr. T. O. Goswami : Or in a quasi-judicial capacity. That is a proposition which I hope no one on any side of the House will accept ; because I cannot understand how the Board of Directors have any judicial functions to perform ; and even if they had judicial functions to perform, are not politicians elevated to the bench of the High Courts ? And when they are elevated to the bench, are their judgments swayed by the political views they held before they were elevated to the bench ?

Then, Sir, as regards the practical considerations that have been mentioned. It is true, Mr. President, that you have tried to make us perfect legislators, you have tried by your rulings to see that we are in our seats all the time the House is sitting ; but as a matter of fact I do not think anybody really expects a Member of the Assembly to be present every day that the Assembly is sitting. And if we have in the Assembly business men, if we have lawyers, if we have people who have other work to do besides sitting in the Assembly, and who efficiently discharge their duties as legislators and also look after their own work effectively, efficiently, I think it will be possible for a Director on the Reserve Bank who is also a member of the Assembly to discharge his duties as a Director of the Reserve Bank efficiently and well. Sir, Sir Basil Blackett does not exclude membership of the European Association. You have only to look round and see whether members of the European Association are not politicians. Would you have a provision, for instance, in your Bill that any candidate for the directorship should not be a member of any political body—say, of the Indian National Congress or of the European Association ? Would the precept of self-denial be accepted by, say, the European Association ? I want to know that ; and I do not know that members of the European Association or members of the Indian National Congress who do not happen to be in any Legislature are any the less political persons than Members who happen to be elected to a Legislature. I think these are considerations which ought to weigh with Sir Basil Blackett, and I hope he will not press his amendment.

Mr. N. C. Kelkar (Bombay Central Division : Non-Muhammadan Rural) : Sir, I wish to draw attention to a special point in this discussion a point which so far as I can see, has not been touched upon. I understand the objection to a member of the Legislature being a Director of the Bank is two-fold, namely, first political contagion and political influence and second, incompatibility or conflict of duties on the Legislature and on the Board of the Bank. The Finance Member has somewhat narrowed down the ground of objection by laying stress rather on the incompatibility of duties than on the contagion of political

[Mr. N. C. Kelkar.]

influence ; and on that assumption I shall proceed. We have now to consider the case under this amendment of a person who is already sitting as a Member of the Legislature—not of a man who is not in the Legislature. Supposing the election for the Bank and the election for the Legislature happen to come at the same time, then I could conceive that a man would rather make a choice then and there and decide for himself to stand for one election rather than the other. But that is not the case we are concerned with here. Here it is the case of a man who is actually a Member of the Legislature and is sitting in the Assembly or the Council of State. Let us assume that during his period of three years, the election to the Bank comes round. He has also then to make a choice, as in the other case, but in this case you will see that the choice is very difficult. Here it is a positive prohibition laid upon the Member at the very point of his nomination for the election, and it follows therefore in my opinion that he has got to make up his mind at the time of nomination whether he should remain a member of the Legislature or should seek election to the bank. Now, what has he got to do ? Supposing he is more inclined to be a Director of the Bank, he has positively once and for all to resign his seat in the Legislature. Now, what happens ? He may either be elected or he may not be elected. If he is elected, then of course it is all right. But supposing he is not elected, then he deliberately leaves the one and loses the other ; it is rather a hard case ; if he resigns his seat, how could he come in again ? The vacancy may be already filled in the Legislature ; so he leaves the one and loses the other in case of failure. That is rather hard lines on the man who has got to make a choice.

I come now to the second case (the man who is already sitting in the Legislature and is elected as a Bank Director) from the point of view of alleged incompatibility of duties. Now, if the work of the Director of the Bank is really realised by the member to be so engrossing that it is incompatible with his duties as a Member of the Legislature—and I will assume in most cases that the man is a conscientious man—he will naturally make his choice and resign the Legislature ; then it will not be hard lines on him because he will deliberately make his choice and keep the directorship and leave the Legislature. But the choice in the former case is rather hard on him. I can quite see that the business of the Director on this Bank may be perhaps engrossing but during the first stages, at any rate for some time, it is not going to be so engrossing. That is my view. But on the other hand, are there not people in this Legislature who besides doing their other business also can attend successfully to the business of the Legislature ? For instance, there is Sir Victor Sassoon ; I think his stake in business is larger than we can conceive of for anybody else in the Legislature, and yet I suppose he is not certainly going to spoil his business by coming to the Legislature and on the other hand we can see that he is not spoiling the business of the Legislature because he is a business man. The same thing can be said of Sir Purshotamdas Thakurdas. Coming now to the lawyers, they do not permanently leave their practice because they come to the Legislature and they are not disqualified from practising in courts because they are Members of the Legislature. Taking all these factors therefore into consideration, what does it matter if a

man is a business man or a lawyer ? If he is a capable man and a capable business man he certainly can attend to both businesses. It will be found there are many lawyers here in this Assembly who enjoy a very big practice at home, and yet I do not find that any of them complains that he finds he loses his practice. I admit that there is some scope for self-sacrifice : all credit to these people who undergo that limited amount of sacrifice and put themselves in a position to attend to both these kinds of business successfully. But that argument of sacrifice is certainly not to be used against them. You must assume that they are able to carry on both the businesses successfully.

Then with regard to the Sessions of the Assembly. Let us take the Simla Session. It is after all a small Session and lasts for 20 days or so. And even within these 20 days on some days we have half week holidays. Therefore, if a business man really wants to go away from the Legislature, I think he can certainly do so without prejudice to his work in the Legislature, attend to his business and come back. Of course, the Sessions in Delhi are longer, but even there some business men go away early and some people come late and some go and come in the middle of the Sessions. There are also some Members who take advantage of the rules and run away from the Assembly for a week or so and attend to their business. My point is, whether at the beginning, or in the middle or at the end of the Sessions, they can attend the meetings of the Legislature and attend their business as well. They take their Secretaries with them to Simla and Delhi, and they find no difficulty whatever in attending the Sessions of the Legislature without prejudice to their own business.

Then again the Honourable Sir Basil Blackett is doing his duty as Finance Member, as Leader of the House, as a Member of the Legislature as well as a Member of the Executive Government. Similarly, he should be charitable enough to suppose that there are other people also who are capable of attending to a number of businesses at one and the same time.

Therefore, my point is specially about the positive prohibition which, as I take it, is laid upon a Member of the Legislature at the very point of nomination. I could have understood it if at the time of entering upon his duties this prohibition had been enforced. But, as I see the wording of the amendment, the disqualification comes in at the very beginning. That is the reason why I am opposed to this amendment.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour) : Sir, I submit that there is a certain amount of misapprehension about the amendment which has been moved by my Honourable colleague Sir Basil Blackett. My Honourable friend Mr. Kelkar made a great point of the argument that a non-official gentleman who wants to be a Director of the Bank must at an early stage make a choice between election to the Legislature and election to the Directorate of the Bank. Now, Sir, the amendment certainly does not contemplate that. All that it contemplates is that, if a Member of the Legislature wants to be elected to the Board of management of the Bank, after he has been elected, he must cease to be a Member of the Legislature.

An Honourable Member : Where is the provision for it ?

The Honourable Sir Bhupendra Nath Mitra : This is the provision. " Save as expressly provided in this Act, no person may be a Director who is an officer of Government to be or who is a Member of the Indian or local Legislature ". The provision of the Bill with the amendment proposed by my Honourable colleague does not contemplate that no man shall be eligible for election to the Board of the Reserve Bank who is a Member of the Indian or local Legislature. It follows, therefore, that he may even be a sitting Member of the local or the Central Legislature, and he may offer himself for election to the Board of the Reserve Bank. It is when he is elected to be a member of the Board of the Reserve Bank that he will have to give up his seat on the Legislature. That meets the first point of my Honourable friend Mr. Kelkar.

Then the other argument which my Honourable friend used, Sir, is to my mind, an argument in support of the amendment of my Honourable colleague. Let us for argument's sake take my friend Sir Victor Sassoon. He has got large interests in Bombay. That undoubtedly takes away a good deal of his time. He is also a Member of the Legislature and as such he devotes a considerable amount of his time to the work of the Legislature. (*An Honourable Member ; " He does not complain of it, does he ?)* If we throw on him again the work connected with the Board of management of the Bank that would mean putting a further burden on him, and I submit, Sir, that it would be hardly fair to expect him to attend to all these duties simultaneously. Mr. Kelkar assumed that in the earlier stages of the Reserve Bank the work connected with the Bank will not be heavy. I join issue with him on that point. I should have thought that the early stages of this Bank would require a considerable amount of work on the part of the Directors to put it on a proper footing. If the work of the Bank is more or less neglected in the initial stages, we will never be able to put the Bank on a proper footing.

Now, Sir, I am quite prepared to admit that there is something in the views urged by my Honourable friends opposite ; but at the same time it is a question of choosing the best arrangement, and as has already been pointed out by my young friend Mr. A. Ayyangar, it is a question of Caesar's wife being above suspicion. This Bank will be newly created, and must take some time to inspire confidence among the public. We must therefore take steps to have the Directors absolutely free from suspicion. It is for that reason. (*Several Honourable Members ; " Suspicion of what ?)*). Suspicion of all sorts of influences.

Pandit Madan Mohan Malaviya : Please name some of them.

The Honourable Sir Bhupendra Nath Mitra : If Honourable Members will listen to me patiently, they will find that I am going to develop my argument. It is for that reason that the clause as it stands, begins by saying that no person may be a Director who is an officer of Government. Now, among officers of Government, I am pretty sure there will be found plenty of capable men who will be able to fill the appointment of Director of that Bank with credit. Look at my young friend Mr. A. Ayyangar over there.....

Sir Hari Singh Gour : Government servants are prohibited from trading.

The Honourable Sir Bhupendra Nath Mitra : Please allow me to pursue my point. As Government wants that the Directors of this Bank should be absolutely free from any sort of influence, well, the clause provides to start with, that the Director should not be an officer of Government. Next it goes on to say that that Director should not be a Director of any other Bank, not being a registered society, etc. Now, there again it will be possible to find plenty of men from among the Directors of existing Banks who would be quite capable of filling the appointment of Director of the State Bank without giving up their present jobs. But still simply because Government want that these Directors should be free from influence of any sort, they too are excluded and the Joint Committee have already accepted both these exceptions.

Now, Sir, my point is this. After very careful consideration, Government came to the conclusion, with that cardinal object in view, that the sitting Members of the Legislature should not be allowed to be members of the Board of the Reserve Bank. That from the point of view of Government is a matter of great importance, and Government are not in a position to give up that point.

Lala Lajpat Rai (Jullundur Division : Non-Muhammadan) : Unless it is lost.

The Honourable Sir Bhupendra Nath Mitra : I would implore my friends opposite to try and see eye to eye with Government in this matter. They are aware that Government have already made a great concession : they have dropped their idea of the shareholders' bank. They have yielded to what they understood to be a genuine demand on the part of the Members of this House on the other side for a State Bank, while their own preference was for a shareholders' bank. I would implore my Honourable friends opposite there to concede to Government on this particular matter which Government at least considers to be a matter of very considerable importance in connection with the constitution of this Bank.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division : Muhammadan Rural) : Sir, I rise to oppose the amendment that has been moved by the Honourable the Finance Member. Sir, I was very sorry to find the argument of Sir Bhupendra Nath Mitra that, if he is a Director, selected or elected, a Director of the Reserve Bank, that he should cease to be a Member of the local or Indian Legislature. I think, Sir, his argument would be quite correct if the choice were to be left to the individual. I beg to submit to this House, Sir, for their serious consideration that the choice is left to the constituency from which that person comes. If the constituency thinks that that person is the best man available for the job why should this Legislature by an enactment prohibit that constituency from sending up the best man. I shall, Sir, cite one recent instance. Mr. P. B. Haigh is a Member of the Legislative Assembly. His services were required by the Bombay Government and what do we find, Sir ? We find that he tendered his resignation in the Legislative Assembly and was nominated a Member of the Bombay Legislative Council. I wish we had such an instrument as Government have to suit their requirements and choose their best men available.

[Mr. Fazal Ibrahim Rahimtulla.]

Sir, as regards the other two arguments put forward by the speakers, I think they are most astounding. One is that it would be a serious charge on the time of a person who wants to be a Director. Sir, if you develop that argument further, it amounts to this that no business man can become a Director of a Bank because it is a serious charge on a business man and I hope the Honourable the Finance Member knows what the duties and functions of business men in Bombay and Calcutta are. He will find that this argument will not stand in favour of the amendment which he has proposed.

The second point, Sir, is the argument that a man who comes from the Legislature is a man who would be influenced by politics. Politics in the management of business, in the management of a directorate of a Bank is an unheard of thing, and I think, Sir, to say the least it shows absolute ignorance on the part of a Member who says that politics will play a part in the management of a bank. Sir, the Reserve Bank has not come into being. At present the Government balances are being managed by the Imperial Bank of India. And what do we find, Sir, again? That Government have nominated two of the governors of the Imperial Bank on the Council of State—Sir Dinshaw Wacha and Sir Maneckji Dadabhoy. Why, Sir? Because their services Government think are very useful on both these bodies. (Hear, hear.) Again, Sir, if I were to go further, take the instance of Sir Alexander Murray who made here on the floor of this House the other day one of the best speeches that we have heard during this Session. What do we again find? He is a Director of the Central Board of the Imperial Bank and he has been nominated here on behalf of Government to come here, because his expert knowledge, Government think, would be useful in guiding the destinies of the Reserve Bank of India. I think, Sir, to carry this argument a little further, do the Government mean to say that, because Sir Purshotamdas Thakurdas is a Member of the Legislature or Sir Maneckji Dadabhoy or Sir Dinshaw Wacha is a Member of the Legislature, that the work of the Imperial Bank has in any way suffered? Is it because of the experience that they have derived that the work of the Imperial Bank has suffered that they are coming forward with an amendment which may, if I may put it in the words of Sir Bhupendra Nath Mitra, create suspicion on the other side? Is it because Government wish to deprive us of the services of the best men available on this side of the House that they want to put forward this amendment? I hope, Sir, Government will not allow this amendment to be pressed to a division but will withdraw it and will allow the best men, who are Members of this Legislature, to be put on this body.

One last word and I have finished. In the general constituencies, you find that in the local and Central Legislatures, you have constituencies like the European Chamber, the Bengal Chamber and the Indian Merchants' Chamber.

Why do business people come into politics, and why do Government provide seats for them. If the Honourable the Finance Member says that politics and business should not be mixed, they should not get this right of sending a representative. Why do you want business men from the business constituencies to come here and advise you on business matters? If that is so, then we want our best men, who are on this and the local Legislatures, to be also Directors on the Reserve Bank.

(An Honourable Member moved that the question be now put.)

Mr. President : The question is that the question be now put.

(After putting the question Mr. President ordered a division.)

Pandit Madan Mohan Malaviya : The point is not quite clearly understood. Will you kindly explain it ?

Mr. President : Members will have another opportunity.

(After the ringing of the Division Bell.)

Mr. President : The question is that the question be now put.

The motion was adopted.

Mr. President : The question is :

“ That in clause 7, after sub-clause (a), the following sub-clause be inserted, namely :

‘ (b) is a member of the Indian or a local Legislature, or ’;

and sub-clauses (b), (c) and (d) be re-lettered (o), (d) and (e), respectively, and for the letter ‘ (d) ’ in the Explanation the letter ‘ (e) ’ be substituted.”

The Assembly divided :

AYES—51.

Abdul Qaiyum, Nawab Sir Sahibzada.	Hussain Shah, Sayyed.
Ahmad, Khan Bahadur Nasir-ud-din.	Irving, Mr. Miles.
Alexander, Mr. William.	Jowahir Singh, Sardar Bahadur Sardar.
Anwar-ul-Azim, Mr.	Kabul Singh Bahadur, Captain.
Ashrafuddin Ahmad, Khan Bahadur Nawabzada Sayid.	Keane, Mr. M.
Ayengar, Mr. V. K. Aravamudha.	Kikubai Premchand, Mr.
Ayyangar, Rao Bahadur Narasimha Gopalaswami.	Kirk, Mr. R. T. F.
Bajpai, Mr. G. S.	Lamb, Mr. W. S.
Blackett, The Honourable Sir Basil.	Mitra, The Honourable Sir Bhupendra Nath.
Bray, Sir Denys.	Mohammad Ismail Khan, Haji Chaudhury.
Coatman, Mr. J.	Moore, Mr. Arthur.
Cocke, Mr. H. G.	Mukherjee, Mr. S. C.
Cosgrave, Mr. W. A.	Murray, Sir Alexander.
Courtenay, Mr. R. H.	Parsons, Mr. A. A. L.
Crawford, Colonel J. D.	Rainy, The Honourable Sir George.
Crerar, The Honourable Mr. J.	Rajah, Rao Bahadur M. C.
Crofton, Mr. B. M.	Roy, Mr. K. C.
Dakhan, Mr. W. M. P. Ghulam Kadir Khan.	Sams, Mr. H. A.
Dalal, Mr. A. R.	Shah Nawaz, Mian Mohammad.
Dalal, Sardar Sir Bomanji.	Singh, Rai Bahadur S. N.
Donovan, Mr. J. T.	Suhrawardy, Dr. A.
Dunnett, Mr. J. M.	Sykes, Mr. E. F.
Ghuznavi, Mr. A. H.	Tonkinson, Mr. H.
Gidney, Lieut.-Colonel H. A. J.	Wright, Mr. W. T. M.
Halgh, Mr. P. B.	Yamin Khan, Mr. Muhammad.
	Young, Mr. G. M.

NOES—70.

Abdoola Haroon, Haji.	Kidwai, Mr. Rafi Ahmad.
Abdul Haye, Mr.	Kunzru, Pandit Hirday Nath.
Abdul Matin Chaudhury, Maulvi.	Lahri Chaudhury, Mr. Dharendra Kanta.
Abdullah Haji Kasim, Khan Bahadur Haji.	Lajput Rai, Lala.
Acharya, Mr. M. K.	Malaviya, Pandit Madan Mohan.
Aiyangar, Mr. C. Duraiswamy.	Mehta, Mr. Jamnadas M.
Aney, Mr. M. S.	Misra, Mr. Dwarka Prasad.
Ayyangar, Mr. K. V. Rangaswami.	Mitra, Mr. Satyendra Chandra.
Ayyangar, Mr. M. S. Seaha.	Moonjee, Dr. B. S.
Belvi, Mr. D. V.	Murtuza Sabeb Bahadur, Maulvi Sayyid.
Bhargava, Pandit Thakur Das.	Naidu, Mr. B. P.
Bhuto, Mr. W. W. Illahibakhs.	Neogy, Mr. K. C.
Chaman Lal, Diwan.	Pandya, Mr. Vidya Sagar.
Chetty, Mr. R. K. Shanmukham.	Phookun, Srijut Tarun Ram.
Chunder, Mr. Nirmal Chunder.	Purshotamdas Thakurdas, Sir.
Das, Mr. B.	Rahimtulla, Mr. Fazal Ibrahim.
Das, Pandit Nilakantha.	Rajan Bakhsah Shah, Khan Bahadur Makhdum Syed.
Dutt, Mr. Amar Nath.	Rang Behari Lal, Lala.
Dutta, Mr. Brish Chandra.	Rao, Mr. G. Sarvotham.
Farookhi, Mr. Abdul Latif Sabeb.	Roy, Mr. Bhabendra Chandra.
Ghazanfar Ali Khan, Raja.	Sarda, Rai Sahib Harbilas.
Gowami, Mr. T. C.	Sassoon, Sir Victor.
Gour, Sir Hari Singh.	Shafee, Maulvi Mohammad.
Haji, Mr. Sarabhai Nemechand.	Siddiqi, Mr. Abdul Qadir.
Hla Tua Pru, U.	Singh, Kumar Rananjaya.
Ismail Khan, Mr.	Singh, Mr. Gaya Prasad.
Iswar Saran, Munshi.	Singh, Mr. Narayan Prasad.
Iyengar, Mr. A. Rangaswami.	Singh, Mr. Ram Narayan.
Iyengar, Mr. S. Srinivasa.	Sinha, Kumar Ganganand.
Jamnadas, Seth.	Sinha, Mr. R. P.
Jayakar, Mr. M. R.	Sinha, Mr. Siddheswar.
Jinnah, Mr. M. A.	Tirloki Nath, Lala.
Jogish, Mr. Varahagiri Venkata.	Tok Kyi, U.
Joshii, Mr. N. M.	Yakub, Maulvi Muhammad.
Kelkar, Mr. N. C.	Zulfiqar Ali Khan, Nawab Sir.

The motion was negatived.

Mr. N. C. Kelkar : Sir, I rise to move the amendment that stands in my name. The amendment is :

“ That in clause 7, (a) in sub-clause (c), omit the word ‘ or ’.
 (b) Omit sub-clause (d) and the Explanation.”

Mr. President : The Honourable Member knows that there are two "ors" in that sub-clause. I hope the Honourable Member will be more accurate in the drafting of his amendments.

Mr. N. C. Kelkar : I hope everybody understands.

Mr. President : Does the Honourable Member mean, "in sub-clause (c), omit the word 'or' at the end" ?

Mr. N. C. Kelkar : Yes, Sir. Before giving my reasons for this amendment, I would like in the first place to remove an apparent prejudice which is likely to arise from the mere appearance of the amendment as I have put it. The original clause which I wanted to delete read thus :

"No person may be a Director who is not or has not at some time been actively engaged in agriculture, commerce, finance or industry."

The proposed deletion of that clause may to some minds mean that I am against business men, real business men, being employed on the Directorate of the Bank or that experience in this direction is not a *sine qua non* of the knowledge required for doing the business of a Director of that Bank ; but I at once hasten to assure the House that that is far from my intention. On the other hand, I do assert and earnestly assert and expect that only business men should join this Bank as Directors, and not only business men but first-class business men as far as possible. My objection, therefore, is not based on the ground that business men need not go as Directors on the Bank, but my objection is merely directed to the wording of the clause as it is there ; and I shall soon prove in a moment that that clause as it is will not carry us any further in the direction we want to go in securing able business men as Directors of the Bank. In the first place, I would like to point out this, that this clause (a) was not originally there, so far as I know, in the original Bill, not at least in that form. It is an innovation made by the Joint Committee, and though it is part of the work of the Joint Committee on which I was sitting, I think I did not myself vote for it at the time and therefore I have stuck to my amendment in that form in this Assembly also. My objection to this clause is, in the first place, that it is a sort of hindrance, not a help, for it is admittedly so framed that you may practically make anything out of it or even nothing out of it. I will at once show that the clause can be reduced to a *reductio ad absurdum* by a very little argument. In the first place it will be observed that no point of time is mentioned here in respect of the actual engagement there must be in the case of a member seeking to become a Director of the Bank. Now is it possible that a point of contact with any business concern say 20 years ago should be regarded as sufficient for our present purposes ? The words "is not or has not been" cover all possible periods of time. Supposing a man in his early days were a Director of some small body, why should that suffice as a qualification to be a Director of the Bank at the end of his life when he is ripe and not doing any kind of business ? Then again I should have expected that if you really wanted business men to come as Directors of the bank, you should have by some effort put in a minimum measure of active engagement or point of contact with any particular business or interest. Here, therefore, just as no period of time is mentioned during which that qualification may have been possessed, similarly there is no definite measure or minimum point of contact or

[Mr. N. C. Kelkar.]

active engagement mentioned. I can give one or two instances which will at once prove that without this positive statement of some measure of qualification or knowledge of business this clause is going to land us in absurdity. I will take the case of a member of a rural co-operative society with a working capital of Rs. 1,000. I am not saying that a man like that, who is a member of such a small concern, will aspire to stand as a candidate for election. But supposing he chooses to stand, this particular clause will not rid you of him ; that is the point. Ultimately we shall see that we shall have to leave this whole business to the common sense of the people to see whether the nominees possess the required qualification. You are now legislating in definite terms about the disqualification pertaining to a member seeking election for a Director of this Bank, and it is my business to point out that it can be reduced to an absurdity like this that a member of a managing committee of a small rural co-operative bank can stand for election because he is covered by the words " he has been actively engaged in some business, agricultural business ". Then, I will give another instance. There is nothing in this clause that can prevent any agricultural labourer, or industrial labourer from standing as a candidate. Again I repeat that I am not expecting that he will stand as a candidate. But supposing some person chooses to offer himself as a candidate, the clause does not save you ; my real point is that the clause does not really save you. You are here legislating for a particular disqualification and you have put it in such loose terms that you can get nothing out of it. My point is that any agricultural labourer, any industrial labourer, may be a candidate for election as Director of this Bank, because the wording of the clause is " actively engaged in agricultural business ". The same may be said, I suppose, of a small shopkeeper who deals in bidis or bananas. Therefore, the real difficulty about making the assertion or affirming the qualifications required has been avoided and the thing has been negatively put. There the real difficulty arises. This is the negative way of securing the required qualifications. But if a positive statement of the qualifications really does not help you, if you cannot find words suitable enough to express what you mean, then let the attempt be dropped ; let this negative clause also be dropped. I can at once imagine how a crop of litigation is likely to arise under this clause. When it comes to litigation, I would ask my lawyer friends here how difficult it will be to prove the negative in this case because the thing has been negatively put and the scope of the clause, as I have already pointed out, is so very large. You will see, again, that in the rule-making powers of this Bill there is no provision for making rules and making it more definite than it is here. Ultimately, I suppose, in case of litigation the case will have to be decided with reference to the wording of this Bill itself and not with reference to any other rules under this Bill. If you will look at the rule-making section, you will find that it does not provide for any rules in other directions. So, ultimately the case will be decided strictly with reference to the wording of this Bill and this particular clause. Therefore, in that case it will be very difficult to prove the negative.

Now, I will turn to another point, which is briefly this. In any other elections have Government or anybody followed this particular parallel of negating the nomination on the ground that certain qualifications

have not been possessed by the candidate? Take the whole scheme of the new Reforms and the new Legislatures. What do we find there? The business of the elected Member is to take part intelligently in legislation and for that purpose I think he must be taken to be ordinarily acquainted with the constitution, the general working of the constitution, the principles of law, and so on. Now, on the analogy of the present Bill you might as well have stated in the rules governing the elections to the Legislature that no man can offer himself as a candidate for the election to the Legislature unless he possesses some modicum of knowledge of those matters which are mentioned, namely, the principles of law, principles of justice and the principles of administration. He has got to deal here practically with a hundred departments. But what is the qualification laid down? I think an attempt must have been made and the matter must have been investigated when the election rules were made and the Government must have come to the present conclusion deliberately. It is certainly a very difficult task actually to name certain qualifications which may be taken as essential for the election of a man. Therefore, ultimately what is the result? What is the real and effective operative qualification for a man to be elected to the Legislature, even the Supreme Legislature? There is only the rate qualification; and, if in this case also you devise some electorate based on this rate qualification for at least part of the Directorate, then, of course, we can easily see that the man will be in a position, first of all, to become a member of the electorate and then as a member of the electorate to be a candidate for election to the Board. That is a natural process and it has been followed in the matter of elections to the Central and local Legislative Councils. I say this expressly that if a man in the case of this House pays a land revenue assessment in my province of Rs. 75 or is an income-tax payer, he can come to this Legislature and do the business as a legislator. Now, in the case of such a man what qualifications have you ordinarily assured? On the other hand, you cannot deny that certain qualifications, though they may not be put down on the paper, are necessarily required and which are assumed to be possessed by the man before he is allowed to be nominated if he is a sensible man or is elected by the Legislature which is generally sensible in these matters. I would also like to mention before this House the municipal and the local board laws. Even there you will find only a rate-paying qualification and nothing else. Now, an illiterate man can come into this Assembly. In fact, an illiterate man did come into this Assembly and sat on these Benches and did his business. Of course, he could not do the real business, as we have had an instance of that. In the last Assembly there was a gentleman who did not understand a word of English and he was literate in this sense that he could only read speeches in Urdu.

I think my Honourable friend read one speech in Urdu because he did not happen to know English. His want of knowledge of English did not stand in his way of winning the confidence of his electorate. His lack of knowledge of English was not regarded as a disqualification by his electors, so far as the business of voting in this Assembly was concerned. Therefore, I say that neither in municipal laws, nor in laws governing local boards nor in the laws governing elections to the local Councils, nor in the rules governing the election to this supreme legislative body does any regulation exist making it a disqualification not to know how to read and write English. But, I say it is simply absurd that you should insist on this qualification about

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a knowledge of English. If you put in a clause like that, it would amount to putting it in, in a negative form because you failed to put it in in a positive form. It is calculated to create a lot of difficulties in the working of the rules. The first difficulty would be that it would give rise to a crop of litigation and it would be an unnecessary waste of time and energy. Ultimately, I think, the whole matter must be left to the common sense of both the nominee and the elector. Let them settle it among themselves. In the case of election you must not assume certain things. I do not want to assume that the electorate in this case would be so foolish as to stand for election or to elect people when they do not possess these ordinary qualifications that are expected of them. To pass this clause would be casting a slur upon the common sense of the people and I therefore positively object to this clause.

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

The Assembly then re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. N. M. Joshi : (Nominated : Labour Interests) : Sir, I rise to support the amendment moved by my Honourable friend Mr. Kelkar. Sir, I do not know what the object of sub-clause (d) of clause 7 is. Whom does that sub-clause intend to exclude. The clause says those who are not actively engaged in agriculture shall be disqualified. Does the clause intend to disqualify absentee landlords of whom there may be many here in this House and there may be a large number outside. But, Sir, I do not think that that is the intention of this sub-clause because I am told that the Government and the leader of the Swaraj Party have come to an agreement by which absentee landlords are going to be the electors of the Directors. I therefore feel that although absentee landlords may not be actively engaged in agriculture it is not the intention of Government to exclude them. Then whom does it exclude ? Does it exclude those landlords who do not drive the plough with their own hands but engage others to cultivate their fields ? Sir, I do not think that either is the intention of Government. But how will they be qualified if you say "actively engaged in agriculture" ? Sir, here again I feel that although it is not the intention of Government to exclude them, perhaps the working of the clause as it is, may exclude them. Then, Sir, are the ordinary labourers in the fields going to be excluded or are they to be considered as actively engaged in agriculture ? If there is any class of people which is actively engaged in agriculture, it is the labourer in the field who is more actively engaged in agriculture than the landlord, either the absentee landlord or the landlord who stays on his field but does not cultivate it. I want to know what is the intention of Government. Whom do they want to exclude by disqualifying those people who are not actively engaged in agriculture ? Are the tenants actively engaged in agriculture ?

A man who cultivates a bigha of land taking it on lease, is he supposed to be actively engaged in agriculture ? Then, Sir, there is the disqualification of a man who is not actively engaged in industry ? Is a

worker who is working in the mills of Bombay to be considered as actively engaged in industry ? Sir, it is difficult to find whether he is to be considered as actively engaged in industry or not. In my view if there is anyone who is more actively engaged in industry, it is the worker in the mills who is actively engaged in industry. But, Sir, from the explanation given it seems to me that it is the intention of the Joint Committee only to qualify those people who are directors of joint stock companies. Sir, if those people who work in the fields as ordinary labourers, if those people who are landlords but do not cultivate their lands, are to be considered as qualified for being Directors of the Reserve Bank, I do not know, Sir, why those people should be disqualified who have not the good fortune of possessing land simply because under the present laws the land is not properly and equitably divided among the citizens of this country. Is it a sin on their part that they do not possess a piece of land, is it a sin on their part that they are not directors of companies ? And moreover, I should like to know, Sir, how does a man become specially qualified to become a Director of the Reserve Bank simply because he possesses a piece of land ? (*The Honourable Sir Basil Blackett* : "He does not."). Simply because—if I may use the actual wording of the sub-clause—simply because he is actively engaged in agriculture or industry, how does he become specially fit to be a Director of the Reserve Bank ?

And how does a man who does not cultivate land or may not be engaged in trade or industry become specially disqualified to become a Director of the Reserve Bank ? Sir, this Bank is not a shareholders' bank. The money which the Bank is going to have for its business is the money belonging to the people of this country. To that amount every man in the country will contribute his mite. If the man who is actively engaged in agriculture will contribute his mite for the money required for the Reserve Bank, if the man who is actively engaged in industry will contribute his mite to the amount necessary for the Reserve Bank, the man who is neither actively engaged in agriculture nor actively engaged in industry also contributes his mite to the amount which the Reserve Bank will have for its business. On what ground, then, does Government disqualify that man ? There may be hundreds of thousands of people who are neither actively engaged in industry nor actively engaged in agriculture, and they may be very well qualified even in the opinion of the Honourable the Finance Member to become Directors of the Reserve Bank if the question is to be decided by merit. Sir, an Honourable Member sitting behind me was very anxious only a few minutes ago that eminent professors from colleges should have at least a chance of being Directors of the Reserve Bank because they many know finance, they may know economics well. Now, Sir, an eminent professor of economics who may have studied finance, who may have studied economics, who may have studied the administration of all the Reserve Banks will be disqualified to become a Director if he is not actively engaged in agriculture, and if he is not actively engaged in industry. Is it right, Sir, that such an eminent professor should be disqualified to become a Director of the Reserve Bank while any one who is engaged in agriculture or in industry, who may be illiterate, who may not know anything whatever, who may not have any public spirit, who may even be dishonest, may become a Director of the Reserve Bank ? What is there to disqualify those who are illiterate, who know nothing of economics, who

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of finance, who have no public spirit, from becoming Directors of the Reserve Bank, while you are disqualifying those people who may have knowledge, who may have public spirit and who may have contributed very largely to the fund which is going to be used by the Reserve Bank ? Sir, I fail to understand the justification for this disqualification. I have been thinking over this matter for a long time and I am trying within my mind to find out what is the reason which led or inspired Government to disqualify people who are engaged neither in agriculture nor in industry. Sir, I claim that at least on some occasions and in some moments of my life I am disinterested ; but, Sir, I am also sometimes inclined to be selfish ; and I asked myself the question : Why should I be disqualified from becoming a Director of the Reserve Bank ? It is not my good fortune to possess a piece of land and I am wondering whether I am actively engaged in industry or not. I am at present engaged in the industry of law-making. I do not know, Sir, what judgment a judge before whom my case may go may give—whether I am actively engaged in industry or not.

But, Sir, there are other grounds why I should be considered qualified. I am connected as an office bearer with a trade union, and a trade union is an essential part of an industrial organization. Therefore, am I going to be disqualified or qualified ? If the matter goes before a bench of judges, I am quite sure some of them at least will decide in my favour that a trade union is an essential part of the industrial organization ; but, Sir, I do not wish to leave that point in doubt. I therefore think that the amendment proposed by my friend Mr. Kelkar should be passed by this House unanimously, and I hope that at least those parties which stand for the people of this country and which call themselves popular will support this unanimously, and that they will not be tempted or frightened away by the threat that if an amendment like this is passed, the Bill may be in peril. If the Bill is in peril simply because you want to do justice to those people who do not possess land and are not engaged in industry, Sir, you will not be doing anything wrong, but you will certainly be doing justice to them. I hope, Sir, the amendment will be passed.

The Honourable Sir Basil Blackett : Sir, I am sorry to disappoint my friend Mr. Joshi, but I am going to do my best to persuade the House to oppose this amendment. My friend Mr. Joshi, I think, said that he has been spending a good deal of time in trying to understand the meaning of this amendment and that he could not do so. I wish I had known it earlier, because I really think I could have explained to him the exact meaning and object of the amendment. He asked questions about an absentee landlord. The question whether an absentee landlord may be excluded is a question of fact. If the landlord was an absentee and did not actively engage himself in the pursuit of agriculture, he would not be qualified as actively engaged in agriculture. He also stated that a professor of economics will not be qualified. I submit, Sir, that a professor of economics may be an extremely good acquisition to the Bank in the position of a financial adviser, but he will be of little use to the Bank as a Director if he has never taken any active part in business of some sort, and in such a case I think there is some reason for excluding him.

Now, Sir, I think there is some misunderstanding about the whole position. I would first of all point out to the House the position we are in. The House has just rejected an amendment moved by Government to restore a clause that was defeated in the Joint Committee. The House is now being asked by Mr. Kelkar to reject an amendment that was made in the Joint Committee by a majority of the Committee. If the House is going to reject both the Government amendment to restore a clause and the additions made the Joint Committee, we are obviously not getting any nearer the agreement we all wish. Sir, the genesis of this clause is as follows. When the Joint Committee decided that instead of a shareholders' bank they would have a State Bank, there ceased to be that check on the choice of Directors which the existence of shareholders implied. A shareholder will normally not choose as a director a man who knows nothing whatever about the business of the Bank. In the present case, we have got rid of the direct personal interest of the shareholder in the election of the director. We are substituting a general electorate. Now, I submit that you do want to give some guidance to the general electorate as to the nature of the directors that should be chosen. Mr. Kelkar said that there was no such guidance given to the electors for the Legislative Assembly. That is so, I believe. But in the case of the Council of State there is a very definite qualification necessary before you can be eligible for the Council of State. That is a money qualification and that qualification I did not think myself was entirely suitable for this case. You do not want to say that only people with a certain amount of wealth shall be eligible as directors, but you do want a general indication and guide to the elector as to what sort of director will be suitable. Now, this clause does not go really very far beyond giving that guidance. I do not think that it is open to the objection which Mr. Kelkar raised that it would give rise to litigation. I think he has overlooked the provision for giving powers to Government to make regulations and so on in regard to this matter. But this clause is one which has been taken from several of the existing statutes. The Commonwealth Bank of Australia has been frequently held up as a model to the Government in cases where it suited the views of those who held it up. The Commonwealth Bank provides that the Directorate shall include 6 other persons who are, or have been, actively engaged in agriculture, commerce, finance or industry. The Federal Reserve Board Bank Act of the United States divides the Board of Directors into various clauses, 3 representing the stock-holding banks—that of course is a different proposition—clause (b) shall consist of 3 members who at the time of election shall be actively engaged in their district in commerce, agriculture or some other industrial pursuits. You will notice that is a much more definite disqualification. They have to be at the time of their election actively engaged in their district. The Government feel therefore.....

Pandit Madan Mohan Malaviya : That is not a disqualification : it is a positive qualification that they should possess. Here you have provided a disqualification.

The Honourable Sir Basil Blackett : If you say that 3 members must at the time of their election be actively engaged in doing certain things, is it on any way different from saying that at the time of their election

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none of these 3 members shall not be actively engaged? There is nothing in the question of positive or negative whatsoever. It is merely the method of the draftsman in expressing the subject. He would not have the least difficulty in expressing it positively and it has exactly the same meaning whichever way it is expressed. Now, that is the position. We have no longer the check on the character of the directorate which is implied in the pecuniary interests of shareholders and the directorate. We want to give some general guidance to the electors as to the sort of director that is required. This clause was agreed to in the Joint Committee and it is admittedly not a clause that has any very wide disqualifying effect. But it certainly has a very definite effect in indicating the nature of the qualifications that ought normally to be required in a Director. I am glad to say that in this matter I have the entire agreement of the Mover of the amendment himself. He said quite definitely that we were all agreed that the people who should become Directors ought to be business men. But his objection was, I think, that this clause did not secure that entirely. I admit that this clause is a very moderate, modest clause; it does not go very far. But it is, I think, a very important clause and really I think that the House ought to pause and consider whether it is not essential that, if you are going to submit the choice of directors for this Bank to an electorate which is not directly interested in the affair, you must give some guidance and put some check on the nature of their choice and I hope that in these circumstances the Mover will not press this amendment and if he does that the House will not accept it.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadian): May I ask a question, Sir? Does industry include labour?

The Honourable Sir Basil Blackett: Yes, certainly.

Mr. Varahagiri Venkata Jogiah (Ganjam cum Vizagapatam: Non-Muhammadian Rural): Sir, I rise to support this amendment. There is no satisfactory reason given for restricting the Directorate to those actively engaged in agriculture, commerce, finance or industry. Such a restriction does not obtain in any of the rules framed in connection with elections for any other public body. For instance, in the rules framed for election to legislative bodies there is no such restriction; nor do we find any such restriction in the rules framed for elections to municipal or local boards. No such provision obtains in enactments establishing Central Banks in this country. There is therefore no reason why, in this Bill alone, such a restriction should be particularly introduced. The result of such a restriction will be to keep out men of eminence in public affairs, such as those who are engaged in law, teaching and such like professions. Supposing there are men, as referred to by my friend Mr. Joshi, who make a special study of banking and finance, there is no reason why such men should be excluded from the Directorate. It is admitted that these men will prove to be very good advisers to the Bank, and if it is so, there is no reason why they should not be admitted as qualified to stand for the Directorship. Again, why should absentee landlords and industrialists, who are sleeping partners, be admitted? There is no reason given why the discretion of the electorate should be restricted like this. When once you constitute an electorate, there is no reason why you should not leave it to the good sense of the consti-

tuency as to who should be their candidate. For these reasons, Sir, I support the amendment of Mr. Kelkar.

Pandit Hirday Nath Kunzru (Agra Division : Non-Muhammadan Rural) : Sir, the Honourable the Finance Member has told us that the self-interest which would have guided the shareholders in a shareholders' bank being absent, we have now to provide some guidance to the electorate who will be required to choose a number of directors in the form of positive rules, and he thinks that it is necessary, therefore, that they should be told that only those men should be chosen who are actively engaged in agriculture, commerce, finance or industry. According to the definition of what active interest in commerce, finance or industry implies, we might have any man who is or has been a director of any company. Now, in the first place we know perfectly well that during the last 20 years, a number of companies have been started in this country, the directorate of which has not been noted for its business qualities. Many men have been appointed as directors who are not known particularly for their grasp of economic principles or for their knowledge of business methods. The companies of which they were directors might have failed on account of inefficiency or mismanagement or even for worse reasons, but so long as no criminal conviction stands against them, they are absolutely free to offer themselves for election to the Directorate of the Reserve Bank. In the second place, there is no guarantee that a man who has not been a director of a company does not possess an adequate knowledge of finance, industry or commerce. We know that in this country there are large private firms which are actively engaged in commerce, finance and industry. Nevertheless, the definition, as drafted here, would summarily exclude such men, although they may be highly qualified to assist in the business which the Directorate of the Bank will be called upon to deal with. (*Some Honourable Members* : " No, no ".) In the third place, it does not seem to me, in spite of what the Honourable the Finance Member has said, that there is any good reason why a man with a sound grasp of economic principles should be excluded. Such a man may be an elector for his salary may be more than Rs. 10,000 a year, and yet he will be debarred from offering himself for election to the Directorate. Take a man like Professor Coyajee. I am sure there is no one in this House. . . . (*Sir Bomanji Dalal* : " Why not you " ?) I am much too modest to mention my name. I am partial to Honourable Members opposite and they may be perfectly certain that I am not likely to trench upon their preserves. Take a man like Professor Coyajee. I am sure nobody in this House will deny that he is possessed of an excellent grasp of economic principles. I am sure that Honourable Members on the other side at least will not dispute that. Yet, if this provision is accepted by the House, such a man who has been regarded as competent to advise on the constitution of the Bank will be prevented from serving on the Directorate and giving the benefit of his wide knowledge to his colleagues, who, whatever their competence might be in other respects, may not be as well grounded in theory. . . .

Mr. V. K. Aravamudha Ayangar : Professor Coyajee is already disqualified because he is a Government servant.

Pandit Hirday Nath Kunzru : I know that. I was merely taking him as an example. I may take another example of another gentleman who happens to be a Government servant. Take the Honourable Sir

[Pandit Hirday Nath Kunzru.]

Basil Blackett himself. I wonder if he has ever been a director of a company.

The Honourable Sir Basil Blackett : Yes, I have.

Pandit Hirday Nath Kunzru : It is his particular good fortune that he has been a director.

Mr. C. Duraiswamy Aiyangar : Take the Law Member.

Pandit Hirday Nath Kunzru : But it is possible that a man with that wide and sound knowledge, if I may say so, of economics that the Honourable the Finance Member possesses may not have had the good fortune of being a director of a company. Is there any reason why we should not have the benefit of his knowledge on the Directorate? An Honourable Member suggests one or two other names. I need not mention them, for it is not my business here to canvas for any particular individual. All that I want to do is to establish a particular principle. Now, this provision, as I have pointed out, does not exclude undesirable persons. On the other hand it excludes desirable persons inasmuch as it prevents members of private firms and persons having an exceedingly good general knowledge of economics, particularly of currency and banking and possessing wide and deep familiarity with the money market, from being elected to the Directorate. I submit for these reasons that the House should accept the amendment placed before us by my Honourable friend, Mr. Kelkar.

Pandit Thakur Das Bhargava (Ambala Division : Non-Muhammadian) : Sir, in this clause we find some negative definition and some negative qualifications of what a director ought not to be. It is rather

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difficult to find any common formula sufficient to indicate as to what are the desirable qualities

of a director. Among ordinary disqualifications, Sir, you will find that a previous convict, a *badmash*, an insolvent or a public servant dismissed for some heinous offence are generally the persons who are disqualified from being a director. With regard to the particular case before you, may I give an illustration, Sir. Supposing a director of some agricultural institute is dismissed for criminal breach of trust. What would happen to him? Would that be taken to be a necessary disqualification or not? My humble submission is that he will be taken to have been actively engaged at some time or other of his life in agriculture, etc., and though according to ordinary principles such a man is one of the most undesirable persons who ought to be directors, this disqualification by itself, I submit will not stand in his way. Again, Sir, an ordinary cultivator, a petty village shopkeeper, and illiterate and ignorant person, an ironsmith or carpenter, a tailor, an insolvent, possibly an idiot or perhaps a person not in his own senses is not debarred from being a director (*An Honourable Member :* "Will he be elected"?), but who are the persons who are debarred from being directors? Lawyers, professors of economy (laughter) and all men, if the interpretation of the Honourable the Finance Member is going to be accepted, possessing no other qualifications except those of a director. Lawyers and professors will be rigorously excluded—those persons who by virtue of their position in life, breadth of vision, knowledge of affairs of banking institutions are the best fitted to be on the Directorate of the Bank. Now, Sir, the question arises as to the exact significance of the words "at some time". I will illustrate my point. Take the example of

a person who is a student in a college while he is 17 or 18 years of age ; he goes to his house in the vacations and is actively engaged with his parents in agriculture. After that he qualifies himself at the Bar and practises for 25 years and then wants to be a director. What would happen to him ? I contend that he will be quite fit so far as this qualification embodied in this clause goes. Similarly take the case of a member of a joint Hindu trading family ? Will it be said of him that he has not been engaged in any agriculture, commerce, trade, etc. ? Then, Sir, all those qualities which go to make a good director have not been indicated. I can quite see the significance of the remarks of the Honourable the Finance Member when he says that this clause is in the nature of a guidance. I have understood this clause as a sort of ban on particular people. Even by way of guidance I would rather leave this question to the particular candidate who wants to be elected : it will be his duty to educate his electors ; but in a Statute I have never seen that rules of guidance or the qualifications of candidates are sought to be told to the people who have to elect the candidates. Before we put on the Statute Book a disqualification of this sort, my humble submission is that we ought to be quite clear in our minds as to what the words convey, whether the words convey the particular meaning which are sought to be put on them. As I understand the words, Sir, it is clear to me that they mean absolutely nothing, or they may have a meaning which is not present to-day to the minds of the legislators sitting here. I would submit that they do not define the length of time during which a person standing as a candidate is to be engaged in agriculture, etc. Suppose, Sir, a person who wishes to go on the Directorate of this Bank gets himself nominated, and as soon as he is nominated he takes to business or to agriculture, my humble submission is, so far as the provision goes, he will be perfectly within his rights to be brought on the Directorate of this Bank, because it is some time that he has been actively engaged in agriculture or trade. Moreover, why take the case of an absentee landlord ? Take the case of any landlord. I contend that it can be predicted of every landlord that he is not actively engaged in agriculture, so that all these electors who are qualified to elect go away. It is an ordinary principle that those persons who elect, namely, the voters, can become candidates. If the suggestion of the Swaraj Party, namely, that any person who has got an income of so much, is accepted by the House, it would come to this that any person who pays an income-tax on an income of more than Rs. 10,000 will be an elector. I beg to ask, Sir, why this disqualification should be attached to him. If he is a good voter, why should he not be a good candidate even supposing he is not actively engaged in agriculture, but he has got villages ? We cannot at this stage know what the exact interpretation of the words "actively engaged" will be. Apart from that, Sir, I would submit, that the word "industry" is a word which is too vague and illusory. What is industry, as my Honourable friend Mr. Joshi put it ? Is it not the industry of law-making in which the Legislature is indulging ? Every industry, unless it is defined, would come under this definition. My humble submission is that even if what the Honourable the Finance Member has in mind is to be brought about, it will never be brought about by a provision like this, so that this provision is condemned on the principle that no such disqualification should attach to any director, and secondly, from this point of view that even if it goes on the Statute-book it will not achieve the object which it seeks to encompass.

Mr. B. Das : I move that the question may now be put.

(Several other Honourable Members also moved that the question be put.)

Mr. President : The question is that the question be now put.

The motion was adopted.

Mr. President : The question is :

“ That in clause 7—

(a) In sub-clause (c), omit the word ‘ or ’ at the end ;

(b) Omit sub-clause (d) and the Explanation.”

The Assembly divided :

AYES—29.

Aiyangar, Mr. C. Duraiswamy.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaewami.
Ayyangar, Mr. M. S. Seeba.
Belvi, Mr. D. V.
Bhargava, Pandit Thakur Das.
Chunder, Mr. Nirmal Chunder.
Das, Mr. B.
Daa, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Dutta, Mr. Srish Chandra.
Iswar Saran, Munshi.
Jannadas, Neth.
Jogiah, Mr. Varabagiri Venkata.
Joshi, Mr. N. M.

Kelkar, Mr. N. C.
Kunzru, Pandit Hirday Nath.
Lajpat Rai, Lala.
Mehta, Mr. Jannadas M.
Misra, Mr. Dwarka Prasad.
Mitra, Mr. Satyendra Chandra.
Moonje, Dr. B. S.
Naidu, Mr. B. P.
Neogy, Mr. K. C.
Phookun, Srijut Tarun Ram.
Sarda, Rai Sahib Harbilas.
Singh, Kumar Rananjaya.
Sinha, Mr. Siddheswar.
Tok Kvi, U.

NOES—57.

Abdul Haye, Mr.
Abdul Matin Chaudhury, Maulvi.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abdullah Haji Kasim, Khan Bahadur
Haji.
Ahmad, Khan Bahadur Nasir-ud-din.
Alexander, Mr. William.
Anwar-ul-Azim, Mr.
Ashrafuddin Ahmad, Khan Bahadur
Nawabzada Sayid.
Ayanagar, Mr. V. K. Aravamudha.
Ayyangar, Rao Bahadur Narasimha
Gopalaswami.
Bajpai, Mr. G. S.
Blackett, The Honourable Sir Basil.
Bray, Sir Denys.
Coatsman, Mr. J.
Cocke, Mr. H. G.
Congrave, Mr. W. A.
Courtenay, Mr. R. H.
Crawford, Colonel J. D.
Crerar, The Honourable Mr. J.
Crofton, Mr. R. M.
Dalal, Mr. A. B.
Dalal, Sardar Sir Bomanji.
Donovan, Mr. J. T.
Dunnott, Mr. J. M.
Ghazanfar Ali Khan, Raja.
Ghuznavi, Mr. A. H.
Haigh, Mr. P. B.
Humain Shah, Sayyed.

Irving, Mr. Miles.
Jowahir Singh, Sardar Bahadur Sardar.
Kabul Singh Bahadur, Cuptain.
Keane, Mr. M.
Kikabhai Premchand, Mr.
Kirh, Mr. R. T. F.
Lamb, Mr. W. S.
Moore, Mr. Arthur.
Muhammad Nawaz Khan, Lieut. Sardar.
Mukherjee, Mr. S. C.
Murray, Sir Alexander.
Parsons, Mr. A. A. L.
Rahimtulla, Mr. Fasal Ibrahim.
Rains, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rajan Bakhsh Shah, Khan Bahadur
Makhdom Syed.
Rao, Mr. G. Sarvotham.
Roy, Mr. K. C.
Ruthnaswamy, Mr. M.
Saha, Mr. H. A.
Shah Nawaz, Mian Mohammad.
Singh, Rai Bahadur S. N.
Suhrawardy, Dr. A.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Wright, Mr. W. T. M.
Yakub, Maulvi Muhammad.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

Mr. President : Does any Honourable Member wish to move amendments to clause 7 ?

Mr. Vidya Sagar Pandya : Sir, I beg to move :

“ That after clause 7 of the Bill insert a new clause 7A as under :

‘ 7A. The Governor, the Deputy Governor or a Director..... ’ ”

Mr. President : Order, order. We have not yet appointed Governors and Deputy Governors. The Honourable Member is not in order in moving his amendment at this stage. We must first appoint Governors and Deputy Governors before we can talk of their resignations. Does the Honourable Member wish to move his amendment which stands as No. 32 in the agenda ?

Mr. Vidya Sagar Pandya : No, Sir.

Mr. President : The question is :

“ That clause 7 do stand part of the Bill. ”

The motion was adopted.

Clause 7 was added to the Bill.

Mr. President : Clause 8.

(Both Mr. Vidya Sagar Pandya and Mr. Joshi stood up to move their respective amendments.)

Mr. President : If any Honourable Member has an amendment which is next in order, is not present or does not rise to move it at the appropriate time, he will lose his chance.

The Honourable Sir Basil Blackett : I was out in the interests of expedition of business.

Sir, I beg to move :

“ That in clause 8 in clause (a) of sub-clause (1), the words ‘ of whom one shall be an Indian and ’ ”
be omitted.

Mr. Vidya Sagar Pandya : According to the list, Sir, I must be first allowed to move my amendment.

Mr. President : The list is not necessarily the guide. The Chair has to see which amendment fits in where. The Honourable Member is not entitled to priority because his amendment is entered first in the list or because he has given prior notice.

The Honourable Sir Basil Blackett : Sir, there are some difficulties in dealing with this clause. Clause 8 (1) is one of those clauses which it is difficult to deal with under separate heads. If therefore I deal with my amendment solely in reference to clause (a), I hope you will excuse me if I stray a little bit beyond that clause in my explanation of its purpose. The purpose of my amendment is to omit the words “ of whom one shall be an Indian and ” which were inserted in the Joint Committee. Sir, I yield to no one in my desire to see the Reserve Bank a Bank Indian in character. I think I have given proof of my desire that it should be Indian in character in what I said in regard to being perfectly willing to see a majority of elected Indians on the Board and indeed in the whole of my dealings in this matter. But I do very strongly deprecate the introduction of racial or communal questions and, in particular, racial or communal clauses into a Bill of this sort. I do not think that it is desirable

[Sir Basil Blackett.]

that at the very outset of this Bank we should restrict the choice of the Governor and the Deputy Governor on racial lines. I submit that it is not even fair to the Indian who, if this clause were carried and the Bill became an Act, would be chosen as Deputy Governor. Everybody would say—they could not help saying—that he had been chosen not necessarily because he was the best available Deputy Governor for the Bank, but because he was an Indian. His position in relation to the Governor, if the Governor were a European and he were an Indian, would not be what it ought to be. If you leave it to the free choice of the Government in the first instance, and the Government on the recommendation of the Board thereafter, to decide who is the best man to be chosen as Governor or Deputy Governor, then that it will not be long before Governors and Deputy Governors of the Reserve Bank are normally Indians is a belief that I am perfectly willing to admit that I hold ; but I do not think it is desirable, in the first instance, to tie down the choice without reference to the efficient working of an institution which is admittedly going to be a very difficult thing to start,—to tie the hands of those who have to be responsible for the work of that Bank in the racial characteristics of the Governor or Deputy Governor whom they are to choose. I do hope that the House will recognise that on this point the Government have gone a very long way already in the matter of admitting the desirability of assisting in the creation of a Bank that shall be Indian in domicile, character and outlook, and will leave the matter at that and not attempt to introduce a racial distinction into the working of this clause. Sir, I move.

Mr. Jannadas M. Mehta (Bombay City : Non-Muhammadan Urban) : Sir, I oppose this amendment. It is not because we are communal in outlook or sectional in our views that I do so, but long years of experience have convinced us that unless an Indian is definitely provided for in the Statute, there is no possibility for years and years to come of an Indian being appointed either as Governor or Deputy Governor. In the first instance we have no Reserve Bank in India and therefore no qualified man in the technical sense will exist ; and unless some one is appointed now, nobody will ever be qualified in future ; and whenever the question crops up the plea will be advanced that Government are looking far and wide, but are disappointed that no competent Indian is available ; and this painful process will go on as it has gone on in the case of the Railway Board, and many other cases that may be mentioned. Sir, there is no provision in the Government of India Act that the Governors of Provinces shall be only Europeans ; but except in one unfortunate experiment or exception—whatever you may call it—not a single Indian has ever been appointed Governor of a province, although we have 9 provinces, and this is the seventh year since the Government of India Act has been in force. The *bona fides* of the Government have been tested over and over again and they have always proved wanting.

Then, again, it is not peculiar to this country only that we want the Directors to be Indians ; the Finance Member maintains that in such a measure there should be no racial question. Sir, I said the other day that in some countries statutory provision is made that only those who are nationals of those countries shall be directors of Reserve Banks, and I quoted the case of Germany where it was laid down by law that all the Directors must be German nationals. My Honourable friend Sir Alexander

Murray challenged my statement and proceeded to correct me ; the Finance Member supported him stating that I was referring to the old constitution and everybody else thought I had made a mistake. Since then, Sir, I have referred to the authorities and I find that these distinguished financiers and infallible authorities are utterly wrong. In Germany the directors must be all German nationals. The very book which Sir Basil Blackett threw at my face the other day showed that all the directors and the Chairman must be German nationals.

Sir Alexander Murray : Of what ?

Mr. Jamnadas M. Mehta : Of this Bank ; of the German Central Bank.

Sir Victor Sassoon : The managing committee or the governing bodies ?

Mr. Jamnadas M. Mehta : I am coming to the distinction which was not present to the minds of those gentlemen the other day. I have now their own authority in my hands, and, Sir, this is what it says. Since the Dawes Settlement this Board of Directors must be all German nationals. There is no question about it ; they are appointed with the approval of the President and of the General Council and it is on this General Council—not the Board of Directors which is elected by the shareholders—that there must be 7 Germans and 7 must be foreigners, one from each country which participates under the Dawes Settlement. But not one of these 7 foreigners are directors. I got this authority for my friend, Sir Alexander Murray ; the Associated Press was in a hurry to wire all over the country that Mr. Jamnadas Mehta was corrected. I hope it will now have the fairness to wire that the Finance Member was corrected and that Sir Alexander Murray was corrected and that all the gentlemen who came down upon me were all corrected. Sir, in the face of the fact now established why should the Finance Member object to Indians being statutorily provided for ? The Dawes Scheme is like the appointment of a receiver for Germany. The General Council is a council of receivers for insolvent Germany. But even in insolvent Germany on its National Bank the Chairman and all the directors must be German nationals. I hope we are not going to be treated even worse than Germany ; and yet the Finance Member has the hardihood to oppose this simple provision that one at least of the Governor or Deputy Governor should be an Indian. It is desirable that both should be Indians ; but if you cannot have both, I do not see any harm in providing that one at least shall be an Indian, and I hope that this House will see that this amendment is not carried and that the original proposition remains.

***Mr. H. G. Cooke :** Sir, with your permission, I want to move an amendment to this amendment, to the effect that in clause (a) of sub-clause (1) of clause 8, for the words " a Deputy Governor of whom one shall be an Indian ", the words " two Deputy Governors ", and in the proviso to the same clause for the words " Deputy Governor ", the words " Deputy Governors " be substituted.

Mr. President : Honourable Members desiring to move important amendment to an amendment must give intimation to the Chair of their intention and supply a copy of it to the Chair in time. It is not fair to

* Speech not corrected by the Honourable Member.

[Mr. President.]

the Chair that an Honourable Member should rise from his seat and read his amendment without any notice whatsoever.

(The amendment was then handed to the Chair.)

Mr. R. K. Shanmukham Chetty : Sir, will you kindly read out the amendment so that we may know what it is.

Mr. President : The amendment is that in clause (a) of sub-clause (7) of clause 8, for the words ' a Deputy Governor of whom one shall be an Indian ', the words ' two Deputy Governors ', and in the proviso to the same clause for the words " Deputy Governor ", the words " Deputy Governors " be substituted.

Sir Hari Singh Gour : Does the Honourable Member mean to cut out the words " of whom one shall be an Indian ".

An Honourable Member : Yes.

Mr. H. G. Cocke : Sir, I desire to move this amendment, because it may meet the wishes of the other side of the House, and in moving it I want to ask Government if they can give an assurance that one of these three, the Governor or the Deputy Governors, shall be an Indian.

Mr. R. K. Shanmukham Chetty : Sir, I oppose both the amendment moved by the Honourable the Finance Member and the one moved by Mr. Cocke. The Honourable the Finance Member said that he was against introducing any racial discrimination in a Bill of this character. I entirely agree with him that it is a great pity that racial discrimination should be introduced into the Statute-book. But, it is the unfortunate position in which this country is placed that drives us to this necessity that we must statutorily provide for what we are entitled to by right. Sir, we are not by making this proviso, perpetuating any racial discrimination, but we want by this proviso to ensure that no racial discrimination shall be observed by Government in this matter. This proviso, I maintain, is a protest against the racial discrimination that is being practised by this Government. My Honourable friend Mr. Jammadas Mehta drew the attention of the House to the sad experience that we have had in the matter of our claim for the appointment of an Indian to the Railway Board ; and though, if not promises, at least hopes, have been held out to us on the floor of this House from time to time, those hopes and promises yet remain to be fulfilled. And, Sir, what is the argument that is advanced every time when we ask that an Indian should be appointed to the Railway Board ? The Indian to be qualified to sit on the Railway Board must necessarily pass through a certain amount of technical training which must necessarily take time. Now, I ask, Sir, if at least the Deputy Governor in the first instance is not to be an Indian, what opportunity is there for an Indian to qualify himself for this post at all ? Are we to go to some other country and become Deputy Governors of the Central Bank there and thereby qualify ourselves ? Certainly not. In the speech that I made on the motion for consideration, I drew the attention of the House to the fact that if the first Deputy Governor is not an Indian, then at least for ten or fifteen years to come we cannot have an Indian either as a Governor or as a Deputy Governor. Though technically it might be provided that the period of office of the Governor and Deputy Governor

is only 5 years, yet I believe there will be continuity in the tenure of this office. The Governor that would be appointed in the first instance would not be asked to go about his business at the end of the 5-year period. He would certainly remain for some considerable time, we will say for 10 years. The Governor of the Bank who has already been brought to this country in anticipation of the passing of this measure is, I believe, a young man who will remain in this country as Governor of the Central Bank for at least 10 years, if not more; and when he retires what happens? The Deputy Governor would naturally be promoted, and if the Deputy Governor also happens to be an Englishman then, for another 10 or 12 years thereafter the next Governor will be an Englishman. Sir, I am sure we might be excused if we protest against the perpetuation of this sort of system. My Honourable friend, Mr. Cocke, brings forward an amendment that there might be two Deputy Governors and even then he is not prepared to make a statutory provision that one of these two Deputy Governors shall be an Indian. But what is the hope that he gives us? He says that Government might probably give a promise on the floor of this House that one of these two Deputy Governors would be an Indian. Well, Sir, if Government is prepared to make a declaration on the floor of this House in advance that one of the two Deputy Governors shall be an Indian, I cannot understand why they ought not to have a statutory provision of this nature, and why the Government should not find the best Indian available for this purpose without having two Deputy Governors. I do hope, Sir, that, as a result of the sad experience this House has had in matters of this kind, they will unanimously oppose the amendments moved by the Honourable the Finance Member and Mr. Cocke.

Sir Hari Singh Gour : Sir, the Honourable the Finance Member has deprecated the introduction of racial distinctions in a Bill of the Legislative Assembly. May I remind him of the provisions of the Government of India Act? What does it say as regards the High Court, the Executive Council and in various other clauses there? Are there not racial distinctions there? How is the Finance Member justified then in what he says? And as my Honourable friend Mr. Jayakar reminds me, take the case of the I. M. S. this morning. Now, Sir, we deprecate the introduction of racial distinctions into Indian Statutes. But unfortunately the Government have led the way, and if they will purge the Statutes of these racial distinctions which are as galling to this side of the House as to the Honourable the Finance Member, we shall then certainly follow suit and eliminate from the present Bill the racial distinctions which have been recommended by the Joint Committee. The Honourable the Finance Member gives us an assurance. We take that assurance, but the Honourable the Finance Member remembers that he wanted to weigh the scales in favour of an Indian in the next appointment that was made to a membership of the Railway Board. And how often have we not reminded him of that undertaking—at any rate an understanding—and how often have we not been told that there is no such man forthcoming? I am perfectly certain that the Leader of the future House will get up and say that the assurance stands good, but no Indian competent to discharge the onerous duties of Deputy Governor is available in this country. And what reply shall we then give? We shall have thrown away the advantage which we have now got of placing our views on the Statute-book. I therefore, think, Sir, that we shall be well advised in voting with the Joint Committee for the retention of this clause. As regards the Honourable Mr. Cocke's

[Sir Hari Singh Gour.]

amendment, I have no doubt that it is inspired by good feeling because he wants that out of two Deputy Governors one should be an Indian. But it is not made clear to me why there should be now two Deputies when the Bill provides only for one. Has he considered the cost ?

There again the matter is left to the tacit understanding and assurance which the Honourable the Finance Member has given in the existing clause as it stands, namely, that out of two Governors, one principal Governor and one Deputy Governor, one shall be an Indian. Therefore, I submit that the amendment of the Honourable Mr. Cocks is even worse than the amendment moved from the Treasury Benches. We therefore, Sir, oppose both these amendments.

The Honourable Sir Basil Blackett : Sir, I desire to speak in regard to the amendment moved by the Honourable Mr. Cocks. As the House knows, this is one of the questions on which it is absolutely necessary that the two sides of the House should come to an agreement, if we are to get this Bill in a form we all want. I have already explained that in the opinion of the Government it is most undesirable and objectionable that a Statute of this nature should contain clauses of a racial or communal character.....

Mr. President : Order, order. The Honourable Member must confine himself to the amendment moved by Mr. Cocks.

The Honourable Sir Basil Blackett : That was exactly the reason why I was making the statement. Mr. Cocks's amendment excludes any such racial or communal clause. His amendment is that there should be two Deputy Governors. Now, there are quite important arguments for having two Deputy Governors instead of one in this Bank. It is a matter that has been considered on merits for some time, and I am not sure that on balance, if the Bill had been originally introduced with two Deputy Governors instead of one, I should not have favoured that amendment for its own sake. But this amendment has one further very definite advantage. It offers what I hope every Member of this House will recognise as a sincere effort on the part of the Government to find a way through a difficulty so that we may, instead of being up against a blank wall on each side, be able to walk together quite comfortably in the green meadow beyond. I am perfectly prepared on behalf of the Government to give an undertaking that one out of the first three members appointed Governor or Deputy Governors, supposing there are two Deputy Governors, that is, either the first Governor or one of the first two Deputy Governors, shall be an Indian. I am authorised to make that declaration on behalf of Government. With that declaration I am sure Honourable Members will see that Mr. Chetty's point is completely met—that the question of the succession to the position of Governor is met. Beyond that Government are not prepared to go. They are not prepared to put into this Bill a clause requiring that one member of the Board shall be of a particular race or of a particular religion. They are prepared to agree to this proposal on the understanding that it is a compromise that will meet all that is really asked for on the other side, and will at the same time make for increased efficiency in the Bank. I do hope and I do appeal very earnestly to this House to accept this olive branch and to agree to the amendment as proposed by Mr. Cocks.

If we are really in a spirit of compromise, and I am sure that I have done my best on behalf of Government to show that we are in a spirit of compromise, here is an opportunity to show it. Instead of developing a debate which cannot be altogether pleasant—it never is when we get debating on this question of race—instead of developing such a debate, I do appeal to the leaders of the various parties who have done so much to assist in arriving at an amicable solution of our difficulties—to Mr. Jinnah, in particular, to whose assistance in the matter I desire to pay a special tribute. It is, I think, very largely due to his initiative that His Excellency the Viceroy called a conference and that, instead of being in the position of quarrelling, we are now in the position of trying to find an amicable solution for all our difficulties. To Pandit Malaviyaji I appeal to come in and accept this olive branch. I have already had the very happy experience of the willingness of Mr. Srinivasa Iyengar (Laughter) to assist in putting this Bill on the Statute-book, and if Honourable Members are going to jeer because other Honourable Members are trying to do their best for India in this matter, I am sure they are making a mistake. I make this appeal in the confident hope that the fruit of our hard work is not going to be thrown away in this matter.

Sir Hari Singh Gour : May I ask the Honourable the Finance Member.....

Mr. President : Order, order. The amendment proposed by Mr. Cocke is, he says, an amendment to the amendment moved by the Honourable Sir Basil Blackett. I do not think it is an amendment to the amendment, but it is a substantive amendment. I will therefore consider it as such, and ask Government, if they support Mr. Cocke's amendment, to withdraw their own amendment.

The Honourable Sir Basil Blackett : Yes, Sir, I withdraw my amendment.

Mr. President : Is it the pleasure of the House that leave be given to the Honourable Sir Basil Blackett to withdraw his amendment ?

As no one objects, the amendment is, by leave, withdrawn.

Sir Hari Singh Gour : May I ask the Honourable the Finance Member one question ? The Honourable the Finance Member says that he will give an undertaking on behalf of the Government that in the first appointments either the Governor or the Deputy Governor will be an Indian. May we beg to know what will become of the later appointments ?

The Honourable Sir Basil Blackett : May I answer ? The position is, after the first appointment, the appointments are made by the Government after considering the recommendations of the Board. The majority of this Board will, according to the concordat on which we are approaching an agreement, consist of elected Indians. It will be in the competence of the Board to recommend. I admit at once that that does not bind the Government to accept, but at the same time, if one of the first three is an Indian, and if the Board is Indian in majority, while I cannot bind the Government or the Board after 5 or 10 years with a promise in this matter, I do not think that Sir Hari Singh Gour need be of such little faith as to doubt that the question will before long be, not

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whether one of the three is to be an Indian, but whether any of them is to be anything but Indian.

Munshi Iswar Saran (Lucknow Division : Non-Muhammadan Rural) : After the appeal of the Honourable Sir Basil Blackett addressed to the leaders of the various parties, I should feel very sorry to make any submissions which would stand in the way of the Finance Member and these distinguished gentlemen coming to an understanding. But I must confess that even after the undertaking given by the Honourable Sir Basil Blackett my doubt remains unremoved. I shall put before him for his consideration a hypothetical case. Now, suppose that a Governor and two Deputy Governors are appointed to-day, one of whom is an Indian. Let us further suppose that for some reason that the Indian Deputy Governor or Indian Governor has to resign or has to sever his connection with the Bank. What will happen then ? Are we to understand that Government then will be free to appoint in his place a non-Indian, or are we to understand that the undertaking given by the Honourable the Finance Member on behalf of Government will hold good ? That point, I must confess, Sir, presents to my limited understanding a very serious difficulty. Sir Basil Blackett has very rightly said that Sir Hari Singh Gour should have faith in the undertaking given by Government and that we ought to hope that in future the appointment will be made in the spirit of the undertaking given. Sir, I beg to assure the House that it is a great pain to have to say this, but we must honestly and unhesitatingly say that many of our hopes in the past have been blasted ; and if the past is any guide to the future, then I must confess there is no room for much hope. When I listened the other day to the debate on the Indian Sandhurst Committee, I thought to myself, especially after one particular speech, that we Indians had not the capacity for holding King's commissions. Are we to understand now that Government cannot make up their mind as regards our capacity for filling up at least one of these two posts ? I therefore feel, Sir,—speaking for myself, without having received any mandate from anybody and without having had any consultation with anyone—my own feeling is that we shall betray our cause if we do not insist on the incorporation in the Act of the provision contained in the Report of the Joint Committee, or failing that, we do not insist on an undertaking being given in clear language by Sir Basil Blackett on behalf of the Government of India that in future out of the appointments to the Governorship and to the two Deputy Governorships, at least one must go to an Indian. (*An Honourable Member* : " We do not want two. ") There is one observation which I shall with your permission make for the consideration of this House. We find that according to the Report of the Joint Committee there shall be one Governor and one Deputy Governor. Now in order that one Indian should find a place in this body, the number is being increased to two. I do not know, but I venture to think that the salary which these gentlemen will get will be rather large. Why is it necessary, I ask, that this additional burden should be imposed on the tax-payer ? I submit that you have to make up your mind once for all. Take away these words " of whom one shall be an Indian ", but give us an undertaking here and now, in clear and unambiguous language, that one of the two will always be an Indian ; and as far as I am concerned, I shall

be perfectly satisfied. But without such an undertaking, I personally do not find myself in agreement with the view of Sir Basil Blackett.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Sir, I have not taken any part in the progress of this Bill so far, but the few remarks that fell from the Leader of the House compel me to say a few words. As I understand Sir Basil Blackett, what he conveys to the House is this, that the Government give an undertaking not a hope, or even a promise, but an undertaking—there is a distinction between these words (*An Honourable Member* : “A distinction without a difference”) on the floor of this House that, if you agree to the amendment of my Honourable friend, Mr. Cocks that there shall be one Governor and two Deputy Governors, then one of them first appointed shall be an Indian. If you look at the Bill, Sir, you will find that the first appointment is to be for five years. After that clause 8, sub-clause (2) says this :

“Before appointing any Governor or Deputy Governor other than the first, the Governor General in Council shall consider any recommendation made by the Board in that behalf.”

Now, my Honourable friend on my right who spoke last is rather puzzled as to what will happen when the first appointment is made and then one of the Deputy Governors, who is an Indian according to the undertaking given, resigns or dies. Surely the Government are bound by their undertaking that, if they have to substitute any one who happens to die or resign, it must be an Indian. If there is any doubt on this point, the Leader of the House ought to make it clear that the first appointed shall be an Indian and, in case of death or resignation or otherwise, the substitute shall be an Indian. Then, as to the next part, after the period of 5 years, the Governor General in Council will be guided by the recommendation of the Board. I entirely agree with the Leader of the House.

Mr. D. V. Belvi : He may be guided.

Mr. M. A. Jinnah : He may be guided by the recommendation ; certainly it is not binding on him. If you have a majority of Indians on the Board, I cannot conceive why my countrymen should go out of their way to recommend anybody else than an Indian, unless they fail to get a competent man. But even if they go wrong, it is not binding on the Governor General and he may, after having given due consideration to the question, appoint an Indian. Therefore, it seems to me, Sir, that once we get an undertaking in the clearest language from the Leader of the House, one Indian will be appointed first and there is every likelihood that later on one Indian will be there.

Mr. S. Srinivasa Iyengar (Madras City : Non-Muhammadan Urban) : Mr. President, I regret I cannot agree with the speech made either by the Honourable Mr. Cocks or by the Honourable the Finance Member. If really it is a racial question, then I can understand that there may be some force in the argument. But when we claim that the word “Indian” should be inserted and there should not be two Deputy Governors, the point of view for which we on this side stand is that we are trying to nationalise Indian institutions, nationalise legislation, nationalise every sort of Government. Therefore, there is no necessity, especially for anyone on the other side of the House to feel uncomfortable that they or we are introducing any racial distinctions. It is, on the other hand, the Honourable Mr. Cocks’s amendment that introduces a racial

[Mr. S. Srinivasa Iyengar.]

distinction not expressly but by necessary implication. When the Honourable the Finance Member says he gives an undertaking that one shall be an Indian, it goes without saying that the other will not be an Indian in the majority of cases, and the opportunity for this Indian Deputy Governor becoming a Governor is retarded very very considerably, whereas there is every chance, if the Deputy Governor is to be an Indian by reason of statutory obligation, of his becoming, after some experience, a Governor of the Bank, and we should like to have an Indian as the Governor of the Indian Reserve Bank. I am sure that ought to please the Finance Member more than myself. We must remember that unfortunately the Indian General Clauses Act does not enact, as I would very much like it to enact, that every person means every Indian national. If that expression had been as it should in the Indian General Clauses Act, then there would not have been the slightest difficulty whatever in removing all these refer-

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ences to Indians in all enactments. But, as

things stand at present, it is impossible for us to be content with any undertaking on behalf of the Government. This does not necessarily mean that there is any suspicion or distrust, though suspicion and distrust have been naturally engendered in the past, and there is an enormous amount of justification for it, and suspicion and distrust are likely to be engendered in the future also, with plenty of justification. But my idea is that we should insist on the reference to "Indian" as a question of principle. When you inaugurate a Bank of this important description, it should be a point of principle that either the Governor or the Deputy Governor should be an Indian. If it is the Honourable the Finance Member's happy experience to have had my assistance which, I am afraid, it may not have been my good fortune to have, then my assistance to Government will be as rare as possible. On this side I should like to add one word of congratulation which will be given only when the Government openly acknowledge that there is nothing wrong in principle in having the word "Indian" in the Statute-book. There is nothing wrong whatever in our efforts to nationalise our institutions. It is a very sound effort which is free from the remotest racial bias. In these matters it is a question of business with Indians. They want their institutions to be controlled by themselves. They want to secure their interests and they do not want the trusteeship of others. They do not want that the officers of Government should in the future be put in the awkward predicament of being pressed by the European and Indian communities. The Government ought to be thankful for being relieved from the obligation of having to choose among rival applications from the two communities. They ought to welcome a statutory provision of this description which will relieve them from all anxieties of this nature. Then, Sir, the appointment of two Deputy Governors will be far more expensive than we can afford. The Deputy Governors will not be gratuitous officers. I suppose they are going to be paid fairly well. Therefore, I consider that we are perfectly justified in opposing this amendment of the Honourable Mr. Cocks. I can assure the Members on the other side that in our legitimate aspirations to nationalise the institutions, we should like to have their support, and that they should not in season and out of season bring up the question of racialism to weaken our opposition. I hope that on this side no Indian Member will ever

be weakened by being told he is racial when he is merely just to his countrymen. I have no hatred towards anybody and I have not the slightest doubt that no Indian Member of this House, be he an official or non-official, elected or nominated, harbours any such racial feelings. I want this question to be settled once for all. When we say that Indians should be here, that Indians should be there and should be everywhere, we mean that everything should be Indianized. It is our legitimate claim and it is the least of our rights and it is impossible for us to listen to the siren voice of the Honourable the Finance Member and to his eloquent appeals and to be moved by them. I regret, Sir, that I am not able to find myself in the fortunate company of my Honourable friend Mr. Jinnah in this matter. I have had my own experience and I do believe that we are perfectly justified in opposing this amendment. In fact, we shall be wanting in our duty if we do not sternly oppose such an attempt as this which has been made.

Mr. B. K. Shanmukham Chetty : May I ask the Honourable the Finance Member, Sir, whether it is his intention by accepting Mr. Cocks's amendment that both the Deputy Directors will simultaneously sit on the Board and have simultaneous voting ?

The Honourable Sir Basil Blackett : With your permission, Sir, I might be allowed to speak again on this motion. In answer to Mr. Chetty's last point, I think it would certainly be desirable that, if there are two Deputy Governors, there should be provision that only one of them should vote at any one meeting.

Mr. B. K. Shanmukham Chetty : Only one of them should vote !

The Honourable Sir Basil Blackett : Only one should vote. That I think would be very desirable. I should not have the least objection to both voting except that it will increase more than I desire the number of Government nominees. If there is any question between the two sides of the House as to whether there are to be two voting Deputy Governors or only one, I should follow them on that point except that I do not want to unduly increase the number of Government nominees. As regards Mr. Jinnah's point, may I say that he has missed one of the strongest points for the future. Supposing this amendment is carried, the undertaking on behalf of the Government is that of the first 3 officers, executive officers, in whose appointment Government have the sole voice, one shall be an Indian. After the first appointment, the next appointments are not appointments in which Government have the sole voice, but they must await the recommendation of the Board. This Board has a majority of Indians and the Government obviously cannot very well say in advance that one shall be an Indian until they have heard the recommendation of the Board, whether he is to be an Indian or not. But it may be said that Government need not follow the advice of the Board. Now, Sir, if you will read clause 8 (1) (a) there is a proviso to the following effect :

“ Provided that the salaries and allowances of the first Governor and Deputy Governor shall be such as may be fixed by the Governor General in Council ”.

After that the salaries and allowances respectively are to be such as may be determined upon by the Board. It is obvious, therefore, that the Board have a very strong voice in the matter and it can put pressure on the Government so as not to ignore their recommendations. Under those circumstances, I do submit that the Government have given all the

[Sir Basil Blackett.]

undertaking that they possibly could in this matter, short of having a provision inserted in the Statute. It is quite impossible to conceive circumstances in which unless the Board—which be it remembered has a majority of elected Indians—recommends a non-Indian, there would not be one at least of the three officers an Indian. Then, Sir, in regard to what Mr. Srinivasa Iyengar has said, I have to say that the Government do attach very great importance to not multiplying racial provisions in the Statute-book. I would point out that there are dangers in it. It has been said that the Bank of England would not put an Indian on its Board. As a matter of fact the Bank of England is extraordinarily cosmopolitan in the matter of its directors. I can mention a large number of directors of the Bank of England who are or were either themselves naturalised Englishmen, born out of England or the sons of naturalised Englishmen born as foreign subjects. There is no bar whatsoever to a British subject, be he an Indian, or British or Canadian, being a member of the Board of the Bank of England. I have no doubt that if it so happens that an Indian were to leave the shores of India and settle down and become a business man in London, it would be quite within the bounds of possibility and easily conceivable not a wild idea that there should be an Indian member of the Board of the Bank of England. I do think there are dangers in putting racial provisions in the Statute-book. I am sorry that my Honourable friend Mr. Srinivasa Iyengar, in spite of the compliment that he paid me in saying that I would be more glad than he if an Indian were the Governor—I hope he and I will be equally glad, but I thank him for the compliment—I am sorry that he is unable to follow up that compliment by agreeing in this matter. But he says that it is a matter of principle and that he would not be doing justice to India. I do ask him to say whether there is not the possibility, even so, for the sake of having a Governor and a Deputy Governor at all to agree to what I think is a very reasonable offer that is made by the Government in this matter.

The Assembly then adjourned till Eleven of the Clock on Friday, the 2nd September, 1927.